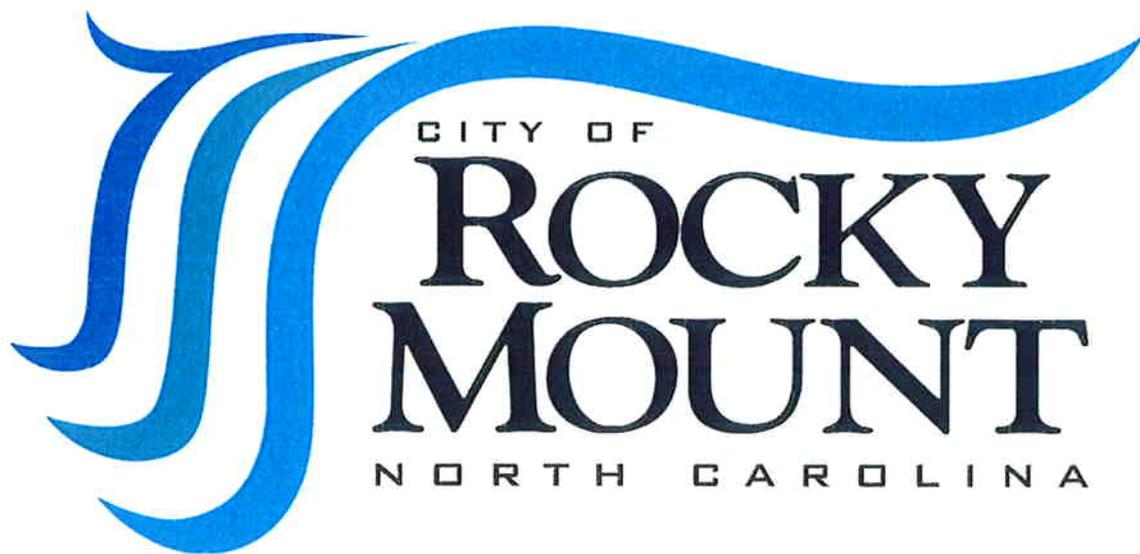


Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2007

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007**

**Prepared by the City of Rocky Mount Finance Office
Amy Staton, Finance Officer**

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

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- **Organizational Chart**
- **List of Principal Officials**





October 25, 2007

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

State law requires that all general-purpose 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. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Rocky Mount, North Carolina (City) for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the City. 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 City 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 City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City'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 misstatement. We assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management 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 City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is located in eastern North Carolina in the coastal plains area. The City has a population of approximately 56,000, and straddles the Nash and Edgecombe County line, encompassing 37 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. The legislative body of the government of the City is comprised of a Mayor and a seven-member City Council. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Mayor is elected at-large by the Citizens and serves a four-year term, and is the presiding officer of the Council. Members of the City Council serve four-year terms and are elected by the voters of the wards in which they reside. The City is divided into seven wards and a Council member who resides in the ward represents each ward. Elections are held every two years in order that the terms of office are staggered.

The City provides a full range of services including police and fire protection, sanitation, public improvements, planning and zoning, parks and recreational activities, transportation, general administrative services, and the construction and maintenance of highways, streets, and other infrastructure. The City also operates electric, natural gas, water, sewer, and stormwater utilities for the incorporated and surrounding areas.

The annual budget serves as the foundation for the City's financial planning and control. The City has a formal operating budget process, which begins in February of each year. The City Council receives the recommended budget in late May. 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 City's fiscal year. Legal budgetary control for operating budgets is exercised at the fund (e.g. General) and department (e.g. Police) level. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the City Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, which starts on page 81. Also included in the governmental fund section is project-length budget-to-actual comparisons for each governmental fund for which a project authorization budget has been adopted (i.e. Public Transportation). The proprietary fund budget to actual comparisons begins on page 108.

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 City operates.

Local economy. Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. The City serves as a regional retail center and has developed a diverse mix of manufacturing, retail, and service industries. Among the area's leading products are pharmaceuticals, diesel engines, and bakery products. Rocky Mount is ranked as the 15th largest city in the state of North Carolina. While agricultural production and income in this area of the State will probably continue, the City has experienced a diversification to industrial activities over the last two decades. Manufacturing is the largest segment of Rocky Mount's workforce, followed by retail and services. The Rocky Mount area has a great strategic location with excellent surface transportation networks in all directions of the compass including Highways I-95, US 64, and US 301. Like most cities located on an interstate corridor in the southeastern United States, Rocky Mount has a thriving small business sector.

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 6.8% as of June 30, 2007 compared to last year's rate of 6.7%. The unemployment rate remained essentially the same, but it is expected that the rate will improve in the coming year due to the prospect of new industry locating to the area and the expansion of existing industries.

Other economic investments include the addition of Aquantum Pharmaceuticals, Inc., PenCell Plastics, Spongex, LLC, Mack Industries, and expansion of AmerLink, Ltd. and Full Circle Solutions, Inc. to the Rocky Mount and surrounding area. Aquantum Pharmaceuticals, Inc., an upstart pharmaceutical company, has announced plans to locate operations in Rocky Mount for the production of an over-the-counter painkiller made from an aspirin derivative to be distributed internationally. The company plans to purchase an existing building located along Wesleyan Boulevard (US 301 north) in Rocky Mount. The company will create 150 new jobs within 5 years and invest between \$7 million and \$10 million, including more than \$3 million to equip the building to manufacture the drug. The company expects to begin production by mid-2008. PenCell Plastics of New Egypt, New Jersey, a company with over 40 years experience in the design, engineering, mold-making, and manufacturing of buried telephone, electric, cable TV, and water industry enclosures and related outside products, has purchased an existing building in Rocky Mount. The company will create 150 new jobs and make a capital investment of \$5.5 million. PenCell first heard about the vacant building in Rocky Mount through the marketing efforts of Electricities, and the company is excited about moving to Rocky Mount as it will give the company a chance to grow and lower their cost structures compared to the northeast. Spongex, LLC, a new affiliated division of Nomaco, a manufacturer of a variety of molded, closed-cell foam products including aquatic floats and exercise equipment, swim training accessories, pool and spa cushions, commercial floats and buoys, and other custom-molded products, has selected Tarboro, our neighboring city in Edgecombe County, as their new manufacturing location. The company will be located in an existing 266,000 square feet building, adjacent to Nomaco. Spongex plans to bring 100 new jobs and a \$7 million investment to Edgecombe County within the next three years. Mack Industries, of Valley City, Ohio, a manufacturer of precast concrete construction material, such as culverts, pipes, and other infrastructure products, has announced the purchase of an existing 117,000 square foot building located in Sharpsburg in Nash County. The company will create 50 new jobs and investments of \$5 million over the next three years. The company will hire civil engineers and several high skilled manufacturing positions. The operation of a manufacturing facility in North Carolina will better position the company for the rapid growth along the Interstate 95 corridor. AmerLink Ltd, maker of handcrafted custom-made and manufactured log homes, has announced plans to expand their operations in Nash County. The

expansion will create 50 new jobs and an investment of \$1.8 million over the next three years. The decision to expand the Nash County headquarters will enable AmerLink to provide more jobs for the local workforce while scaling the business to meet strong and sustained sales growth. The announcement was made possible in part by a One North Carolina Fund grant. Full Circle Solutions, Inc., a Georgia-based management company of coal combustion products which are a final product produced by a fossil plant, announced expansion plans involving construction of a new 25,000 square foot facility to be located in Fountain Industrial Park in Rocky Mount. The company will create 14 new jobs and invest \$800,000 on the new facility.

Long-term financial planning. The City is committed to a long term community revitalization program to bring back life and energy to its charming historic downtown community. Recent projects yielded a renovated train station, new library, an arts and science complex, and the opening of a senior citizen center. Along with these projects, the City has recently secured an innovative funding mechanism through a loan pool with area banks to be made available to business owners and investors for the downtown area. Over the next five years, the City plans to fund the downtown revitalization with over \$10 million for repairs, facade grants, design costs, and streetscape. Within the downtown area, is a historic area known locally as the Douglas Block. Of the \$10 million budgeted for downtown, there is \$4 million proposed funding over the next five years to revitalize the Douglas Block Redevelopment. Funding for these projects will be a combination of debt financing, grants, and utilization of general revenues over a five year period.

The City's electric, gas, and water funds have a project to implement automated meter reading devices which will provide meter reading without gaining access to a customer's property. This project is underway and will be phased in over several years with a proposed cost of \$11.2 million. The City plans to fund the project with a combination of current revenue and new debt. The City's newest enterprise fund is the storm water fund. The City is currently looking at projects for storm water planning and management. The master planning and improvement costs are projected to be \$8 million and will be funded primarily by new debt.

Cash management policies and practices. The deposits of the City are made in board-designated official depositories and are collateralized as required by State statute. The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by statutes or other legal reasons. Cash temporarily idle during the year was invested in the North Carolina Capital Management Trust, an SEC registered mutual fund, and money market funds held at banking institutions. All investments are immediately available. The average yield on all cash and investments was 4.03%. All of the City's investments at June 30, 2007 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2007, the City's cash resources were invested as follows:

Cash on hand	\$ 6,700	.02%
Cash in traditional bank accounts	5,552,402	13.48%
Money Market funds	10,970,981	26.64%
North Carolina Capital Management Trust	<u>24,656,108</u>	59.86%
Total	<u>\$41,186,191</u>	

Risk Management- The City 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 City protects itself from potential loss through the purchase of commercial insurance for primary and/or

excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control techniques are practiced by the City including employee safety programs, drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City's insurance coverage and self-insured retentions are more fully described in note 10 of the financial statements.

Pension and other postemployment benefits- The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

The State of North Carolina contributes, on behalf on the City, to the Fireman's and Rescue Squad Workers' Pension Fund, which is a cost-sharing multiple-employer defined benefit pension plan. The State funds this plan through appropriations. Plan members, who are eligible fire personnel, are required to contribute \$10 per month. The City has no obligation in connection with employee benefits offered through this plan.

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 4.90% for employees not engaged in law enforcement and 4.78% for law enforcement officers.

All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Eligible employees may make voluntary contributions. State statute requires that the City contribute 5% of annual covered salary for all law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 4% of the employees covered salary.

The City provides postemployment health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and who meet certain criteria that are more fully described in note 6 of the financial statements. Currently, 195 retirees are eligible for postretirement health benefits.

The City also provides death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The City's contribution includes coverage for active employees and eligible retirees.

Additional information on the City's pension arrangements and postemployment benefits can be found in note 6 of the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the thirteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement; the City published an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

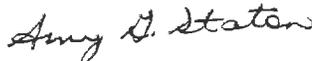
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2006. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

The preparation of this report would not have been possible without the assistance and dedication of the staff of the Finance Department. We would like to thank Martin Starnes & Associates, CPAs, P.A., the City's independent auditors, for their assistance in preparing this report. In addition, we wish to express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial affairs of the City.

Respectfully submitted,



Stephen W. Raper
City Manager



Amy G. Staton
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rocky Mount
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



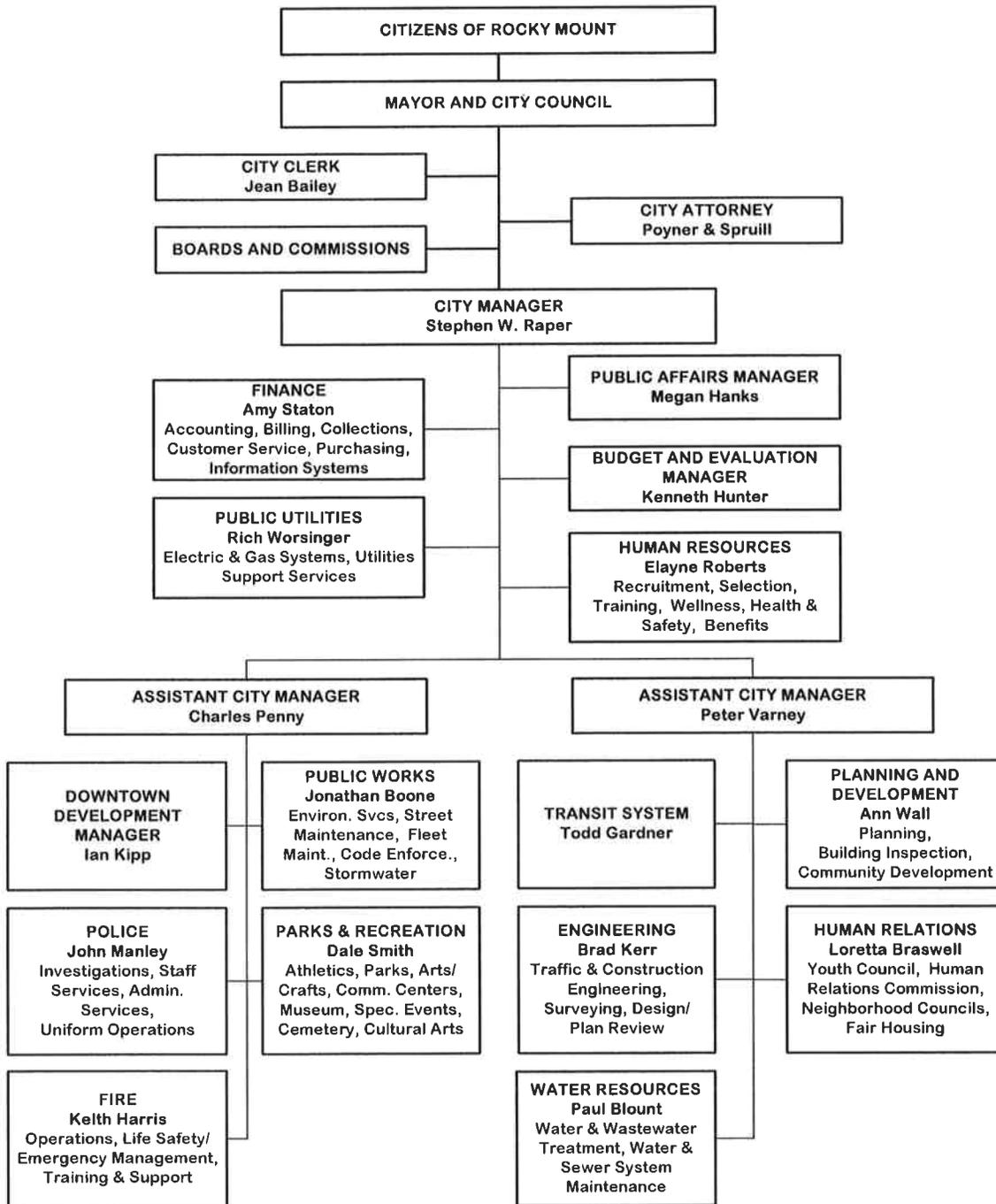
A handwritten signature in black ink, appearing to read "Thomas J. Blain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Organizational Chart City of Rocky Mount



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2007

CITY COUNCIL

**Frederick E. Turnage, Mayor
Chris Miller, Mayor Pro-tem**

Lois Watkins

Reuben C. Blackwell,IV

W.B. Bullock

David W. Combs

Andre D. Knight

Lamont Wiggins

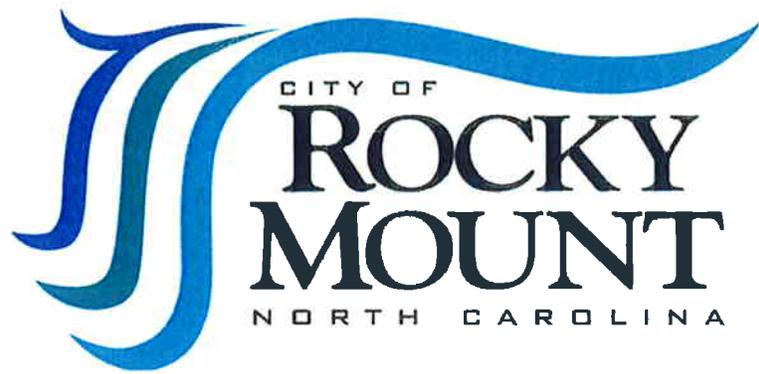
CITY ADMINISTRATION

**Stephen W. Raper, City Manger
Charles W. Penny, Assistant City Manager
Peter F. Varney, Assistant City Manager**



FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplemental Financial Data**
- **Combining and Individual Fund Statements and Schedules**
- **Other Supplemental Schedules**
- **Capital Assets Used in the Operation of Governmental Funds**





Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

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

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 City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rocky Mount, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Rocky Mount Theatre, LLC, which represents 100 percent of the assets, net assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Rocky Mount Theatre, LLC is based solely on the reports of the other auditors.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the City of Rocky Mount Theatre, LLC were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, 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 City of Rocky Mount, North Carolina as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2007 on our consideration of the City of Rocky Mount, North Carolina's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing in the results of our audit.

Management's Discussion and Analysis, employer contributions and the notes to the required schedules of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount, North Carolina basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have 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. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes + Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 25, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS





Management's Discussion and Analysis

As management of the City of Rocky Mount, we offer readers of the City of Rocky Mount's financial statements this narrative overview and analysis of the financial activities of the City of Rocky Mount (the "City") for the fiscal year ended June 30, 2007. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory section and begins on page 1.

Financial Highlights

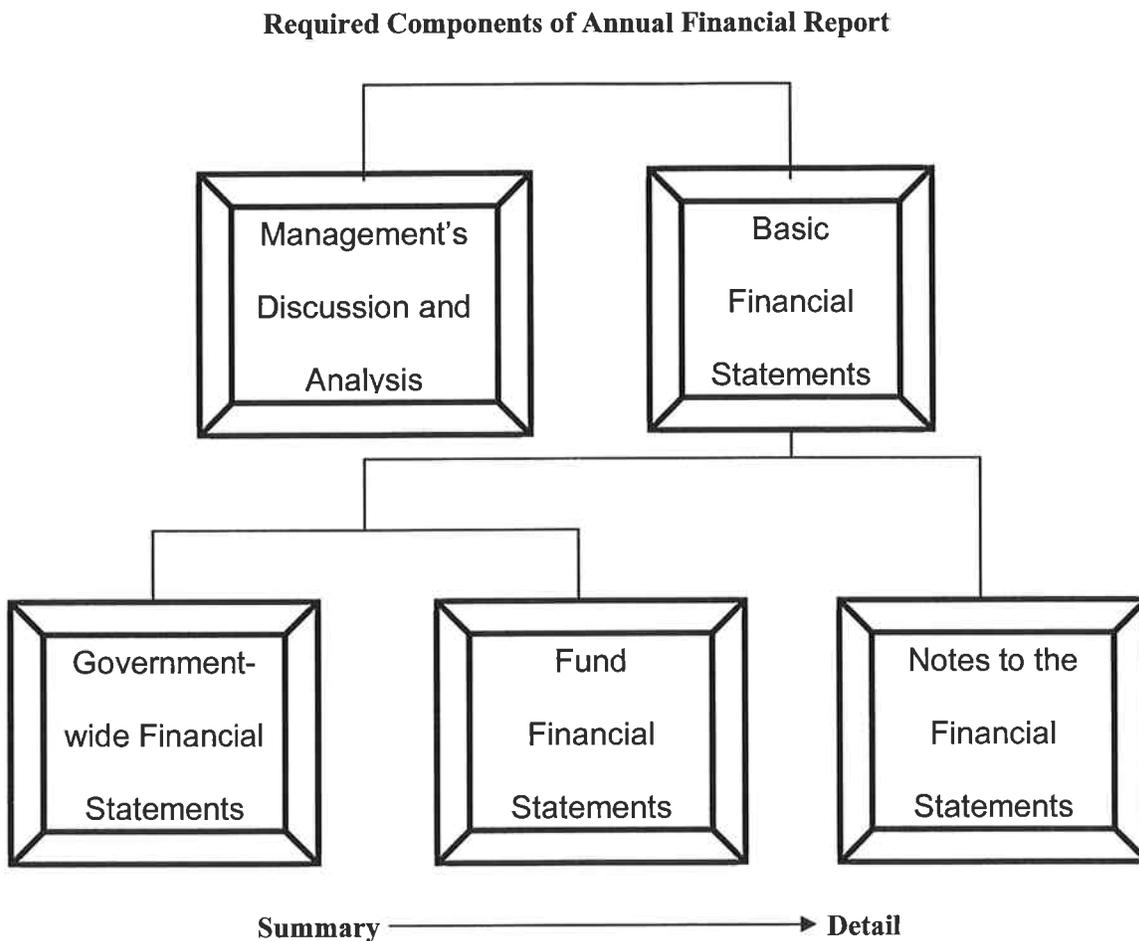
- The assets of the City exceeded its liabilities at the close of the fiscal year by \$238,168,638. The assets of the governmental activities exceeded liabilities by \$107,684,247 and the assets of the business-type activities exceeded liabilities by \$130,484,391.
- The government's total net assets grew by 4% or an increase of \$9,358,296, primarily due to growth in business-type activities net assets.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$26,625,874, an increase of \$2,091,748 in comparison with the prior year. Approximately 51.5% of this total amount, or \$13,720,857, is available for spending at the government's discretion (*unreserved & undesignated fund balance*).
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net assets of \$130,484,391, an increase of \$7,852,843. This 6% increase in business-type net assets is mostly due to an increase in revenues for all business-type compared to the prior year.
- At the end of the current fiscal year, total unreserved and undesignated fund balance for the General Fund was \$10,355,261, or 22.8% of total general fund expenditures for the fiscal year.
- The City maintained its A1 bond rating from Moody's Investors Services, and an A+ from Standard and Poor's Corporation for the 10th consecutive year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic

financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Figure 1:



Basic Financial Statements

The first two statements (pages 28 and 29) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 30 through 46) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes and required supplemental financial data, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements are the *statement of net assets* and the *statement of activities*. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating. The *statement of activities* presents information which shows how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, and general administration that are principally supported by taxes and intergovernmental revenues. The business-type activities are those that the City charges user fees to recover all or a significant portion of their costs. These include the electric, gas, water, sewer and storm water services offered by the City. The final category is the component unit. Although legally separate from the City, the City of Rocky Mount Theatre LLC is important to the City because the City exercises control over the advisory board by appointing members.

The government-wide financial statements are on pages 28 and 29.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 City, like all other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash inflow and outflow, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating the City's near-term financing requirements. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the *statement of net assets* and the *statement of activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statements have been provided to demonstrate how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The City maintains five enterprise funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, gas, water, sewer, and storm water activities. These funds are the same as those functions shown in the business-type activities in the *statement of net assets* and the *statement of activities*. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of City. The City uses an internal service fund to account for one activity – its self-insured health care. The internal service fund has been included within both the governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, gas, water, sewer and storm water activities. With the exception of the storm water fund, all other proprietary funds are considered to be major funds of the City.

Agency funds – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for agency funds is much like that used for proprietary funds.

Notes to the Financial Statements and Other Information

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 47 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 84 of this report.

Government-Wide Financial Analysis of the City of Rocky Mount

Net Assets

The following (Figure 2) reflects condensed information on the City's net assets.

Figure 2:

City of Rocky Mount Statement of Net Assets

	Governmental Activities 2007	Governmental Activities 2006	Business-Type Activities 2007	Business-Type Activities 2006	Total 2007	Total 2006
Current and other assets	\$ 34,494,933	\$ 33,715,191	\$ 36,351,895	\$ 33,872,488	\$ 70,846,828	\$ 67,587,679
Capital assets	96,686,996	95,889,234	123,955,811	119,136,330	\$ 220,642,807	\$ 215,025,564
Total assets	131,181,929	129,604,425	160,307,706	153,008,818	291,489,635	282,613,243
Long-term liabilities	17,078,243	18,227,551	18,212,883	17,754,434	35,291,126	35,981,985
Other liabilities	6,419,439	5,313,164	11,610,432	12,507,752	18,029,871	17,820,916
Total liabilities	23,497,682	23,540,715	29,823,315	30,262,186	53,320,997	53,802,901
Net assets:						
Invested in capital assets, net of related debt	81,922,916	81,060,633	107,764,319	101,764,488	189,687,235	182,825,121
Restricted	1,655,857	6,598,151	-	-	1,655,857	6,598,151
Unrestricted	24,105,474	18,404,926	22,720,072	20,982,144	46,825,546	39,387,070
Total net assets	\$ 107,684,247	\$ 106,063,710	\$ 130,484,391	\$ 122,746,632	\$ 238,168,638	\$ 228,810,342

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$238,168,638 as of June 30, 2007. The City's net assets increased by \$9,358,296 for the fiscal year ended June 30, 2007 after an adjustment in the amount of \$2,176,893 was subtracted related to the prior year. Information regarding this adjustment can be found in Note 22. The largest portion of net assets (80%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net assets (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (19%) may be used to meet the government's ongoing obligations to citizens and creditors.

Several particular aspects of the City's financial operations influenced the change in total net assets:

- There are three components of net assets: capital assets, restricted, and unrestricted. There was an increase of \$6,862,114 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 3.8% of total current year expenses. Since total net assets grew by \$9,358,296 or 5.3% of total current year expenses, the majority of the increase in net assets growth is due to the growth in capital assets. Restricted net assets decreased by \$4,942,294 and unrestricted net assets grew by \$7,438,476 compared to the prior year. For the most part, restricted net assets were converted to capital assets by utilizing restricted escrow funds for the intended purpose of acquiring capital assets.
- The total increase in net assets of \$9,358,296 was influenced by an increase in charges for service revenue. Service revenue increased \$7,626,082 or 5.4% over the prior year primarily due to increases of electric sales. The electric fund had an increase in sales of 6.3% over the prior year with an associated increase of 4% in electric wholesale power costs. The electric fund increased net assets by \$3.8 million.
- Additionally, with the improvement in interest rates, the City's investment returns have increased \$960,375 or 52% over the prior year.
- The total increase in net assets of \$9,358,296 was influenced by growth in ad valorem tax revenue of \$2,118,962 or 13.6% over the prior year. The ad valorem tax rate increased from 0.50 to 0.55 per \$100 of assessed valuation.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 95.39% which is comparable to the statewide average of 97.16% for other municipalities with an electric system and with a similar population. The statewide collection percentage is based on 2006 statewide data and is the most recent published percentage.

Changes in Net Assets

The City's total revenues and expenses for governmental and business-type activities are reflected in Figure 3.
Figure 3:

City of Rocky Mount Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		City of Rocky Mount Theatre, LLC	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues:								
Program revenues:								
Charges for services	\$ 12,261,452	\$ 7,754,181	\$ 135,381,606	\$132,262,795	\$147,643,058	\$140,016,976	-	-
Operating grants and contributions	7,373,708	6,979,532	-	50,000	7,373,708	7,029,532	784,909	-
Capital grants and contributions	1,448,987	3,435,584	-	101,379	1,448,987	3,536,963	-	852,039
General revenues:								
Property taxes	17,658,024	15,539,062	-	-	17,658,024	15,539,062	-	-
Other taxes	12,205,266	15,487,115	-	-	12,205,266	15,487,115	-	-
Other	1,554,069	547,371	1,244,435	884,326	2,798,504	1,431,697	1,557	20,755
Total Revenues	52,501,506	49,742,845	136,626,041	133,298,500	189,127,547	183,041,345	786,466	872,794
Expenses:								
General Government	5,828,638	5,134,845	-	-	5,828,638	5,134,845	-	-
Public safety	20,528,191	20,571,641	-	-	20,528,191	20,571,641	-	-
Parks and Recreation	8,241,393	9,217,034	-	-	8,241,393	9,217,034	-	-
Public Works	8,105,415	8,603,044	-	-	8,105,415	8,603,044	-	-
Engineering	984,492	939,634	-	-	984,492	939,634	-	-
Public Service	4,944,155	3,354,839	-	-	4,944,155	3,354,839	-	-
Emergency Management	-	-	-	-	-	-	-	-
Hazard Mitigation	-	344,245	-	-	-	344,245	-	-
Community Revitalization	1,823,575	2,690,132	-	-	1,823,575	2,690,132	-	-
Interest on long-term debt	460,662	1,106,418	-	-	460,662	1,106,418	-	-
Electric	-	-	78,320,332	74,817,488	78,320,332	74,817,488	-	-
Gas	-	-	27,016,418	30,983,889	27,016,418	30,983,889	-	-
Water	-	-	8,817,067	8,499,790	8,817,067	8,499,790	-	-
Sewer	-	-	9,658,399	9,826,701	9,658,399	9,826,701	-	-
Storm Water	-	-	2,748,537	2,600,592	2,748,537	2,600,592	-	-
Other	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	265,087	99,747
Total Expenses	50,916,521	51,961,832	126,560,753	126,728,460	177,477,274	178,690,292	265,087	99,747
Increase in net assets before transfers	1,584,985	(2,218,987)	10,065,288	6,570,040	11,650,273	4,351,053	521,379	773,047
Transfers	2,212,445	1,646,500	(2,212,445)	(1,646,500)	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-
Increase in Net Assets	3,797,430	(572,487)	7,852,843	4,923,540	11,650,273	4,351,053	521,379	773,047
Net Assets, July 1, as restated	103,886,817	106,636,197	122,631,548	117,823,092	226,518,365	224,459,289	773,147	100
Net Assets, June 30	\$107,684,247	\$106,063,710	\$130,484,391	\$122,746,632	\$238,168,638	\$228,810,342	\$1,294,526	\$773,147

Governmental activities. Governmental activities increased the City's net assets by \$1,620,537, thereby accounting for 17% of the total growth in the net assets of the City. Key elements of the current year governmental activities change in net assets are as follows:

- Total revenues for governmental activities increased \$2,758,661 (6%) compared to the prior year. As mentioned, revenues for ad valorem taxes increased \$2,118,962 (13.6%) compared to the prior year as a result of the ad valorem tax rate increase from 0.50 to 0.55 per \$100 of assessed valuation.
- Total expenses for governmental activities decreased \$1,045,311 (2%). Parks and recreation activities decreased expenses by \$975,641 (10%). Expenses were less this year compared to prior year because construction of several parks and recreation projects including the sports complex, the Imperial Centre, and other improvements to existing parks were completed. Community revitalization activities decreased expenses by \$866,557 (32%) due to a decrease in intergovernmental funding for entitlement grant programs and less projects being completed. General government activities increased expenses by \$693,793 (13%). Of this increase 31% was incurred as a result of a plan by the City to improve the housing conditions for our citizens through housing market studies and housing incentive grants. Also as a result of retirements of long-term debt, the expense of interest on long-term debt decreased \$645,756 (58%). Almost all other activities had decreases in expenses.

Figure 4:

**City of Rocky Mount
Expenses and Program Revenues-Governmental Activities**

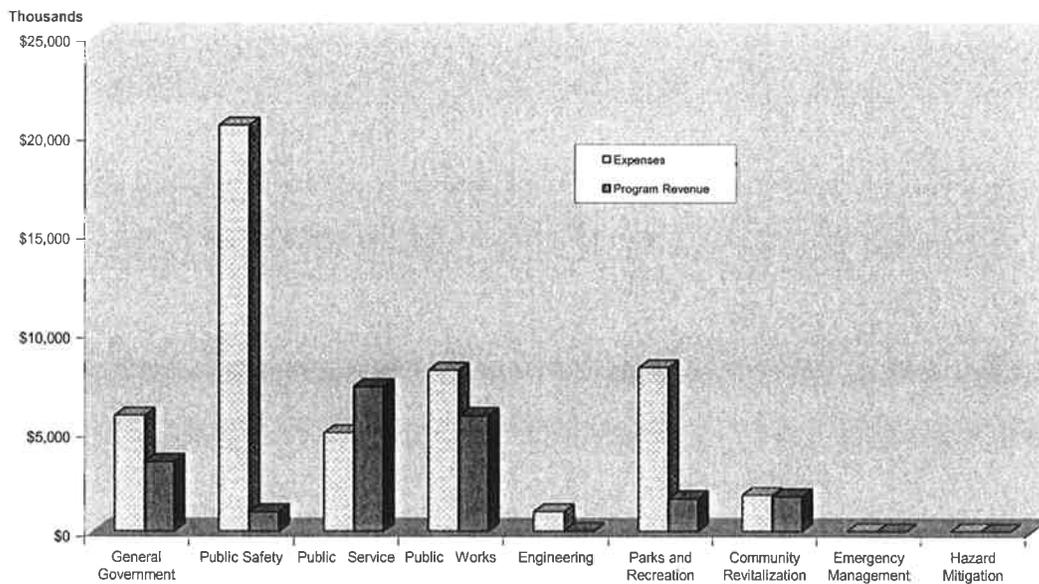
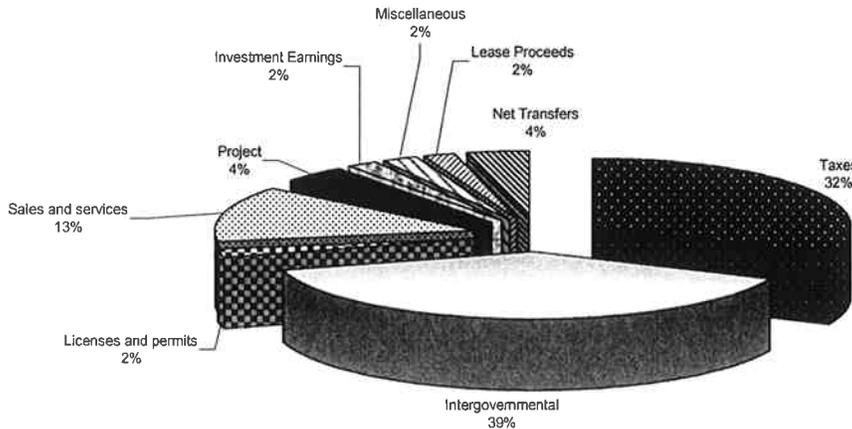


Figure 5:

**City of Rocky Mount
Revenues by Source –Governmental Activities**



Business-type activities: Business-type activities increased the City's net assets by \$7,852,843, representing 83% of the growth in the City's total net assets. Key elements of the current year's activities are as follows:

- Charges for services for business-type activities increased by a combined 2% over the prior year. Electric revenue increased 6% primarily due to a 12% rate increase from the prior year. The rate was increased in January 2006 so the prior fiscal year had 6 months of sales with the increased rate and the fiscal year 2007 had 12 months of sales at the increased rate. This accounts for the 6% increase in electric revenue. Natural gas revenue decreased 6% over the prior year due to a decrease in market rates for natural gas, and the City passed that decrease to our gas customers through a purchased gas adjustment. The cost of natural gas decreased in comparison to prior year. Sewer revenue increased 4% over the prior year due to a 5% rate increase. There was no notable change in water and stormwater revenue.
- The business-type activities entered into new installment debt financing. The stormwater fund received \$241,000 for new equipment; the electric fund received \$100,000 for new equipment, and the gas fund received \$177,000 for new equipment. The City maintains a revolving loan agreement with the North Carolina Department of Environment and Natural Resources, Division of Water Quality for the replacement and upgrade of equipment at the City's wastewater treatment plant. The amount drawn on this loan for the current year was \$3,089,059.
- Operating expenses for business-type activities combined decreased by 0.1% over the prior year. Electric operating expenses increased 5% primarily due to the increased cost

of purchased power. The natural gas operating expenses decreased 13% due to decreases in the market cost of natural gas. Expenses for water increased 4% mostly due to large capital projects for improvements to both water plants and significant projects to extend water lines, in addition to the increased cost of water chemicals. Expenses for sewer decreased 2% while expenses for stormwater services increased 6% over the prior year because partial vacant positions from the prior were fully staffed in the current year.

- The business-type activities transferred net funds to the general fund totaling \$2,212,445.
- The net change in assets for all business-type activities for the current fiscal year was an increase of \$7,852,843. All business-type operations resulted in net operating income.

Figure 6:

**City of Rocky Mount
Expenses and Program Revenues-Business –type Activities**

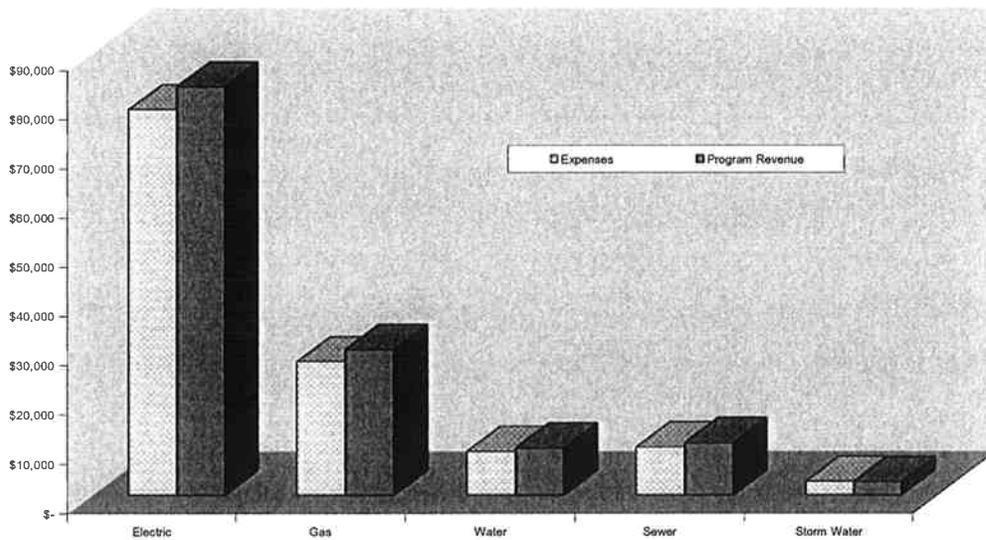
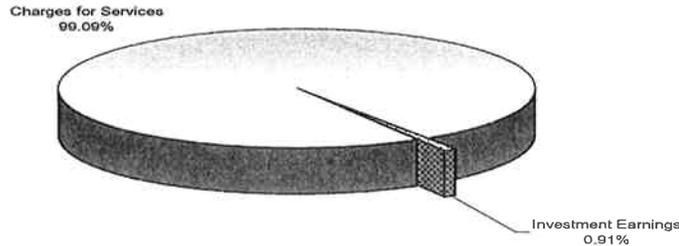


Figure 7:

**City of Rocky Mount
Revenues by Source – Business-type Activities**



Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be 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 City's combined governmental funds reported combined ending fund balances of \$26,625,874, an increase of \$2,091,748 in comparison with the prior year. Of this amount, \$13,720,857 is unreserved fund balance. A portion of the unreserved fund balance is designed for subsequent year's expenditures. The unreserved fund balance that is undesignated is available for spending at the government's discretion. This amount is \$12,685,944 or 48.0% of the total fund balance. The remainder of fund balance is not available for new spending because it has already been committed.

The general fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$11,390,174, while total general fund balance was \$22,730,906. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25.0% of total General Fund expenditures, while total fund balance represents 50% of that same amount.

At June 30, 2007, the governmental funds of the City reported a combined fund balance of \$26,625,874, an 8.5% increase over last year. Included in this change in fund balance are increases in fund balance in the General and most Special Revenue Funds. Within the Special Revenue funds, Crime/Safety Control fund balance decreased due to expenses incurred on

advanced funded grants. Within the Capital Project Funds, fund balance decreased as projects were reaching various stages of completion and advanced funding was used up on projects.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The actual operating revenues for the General Fund were less than the budget amount by \$380,255. Tax revenue was \$65,301 less than budget due to a change in the counties' assessment of certain vehicle taxes. Vehicle tax payments were accelerated in the previous year and were on a regular schedule in the current year. The City was unaware of this change and consequently based the budget on prior year payment history which was temporarily inflated. Intergovernmental revenues were \$143,622 less than budget due to a state grant project that was budgeted for \$600,000 had not yet begun by the end of the fiscal year so no revenue had been received on the project. Sales and services were \$446,174 less than budget mainly due to overestimating recreation department fees, and shortfalls in solid waste and recycling charges, and transfer station revenues. Investment earnings for the general fund exceeded the budget by \$346,003 due to better return on investments than estimated due to improvements in interest rates. All other general fund revenues were comparable to the budgeted estimates.

The actual operating expenses for the General Fund were less than the budget amount by \$6,055,060. The most significant savings were realized due to money appropriated to projects that were unspent at fiscal year end. The Finance department has expenditures less than the budget of \$893,360. Of this amount, approximately \$200,000 is for a combination of staff vacancies and reduction in spending. Within finance, funds were allocated to continue the implementation of software and the project is still underway. Of the amount allocated \$581,661 was unspent and re-appropriated to 2008. There were savings in the Human Resources department due to not having to use the \$600,000 budgeted for the provisional pay adjustment to cover salary increases. There were savings in the police department due to vacancies that were not filled amounting to approximately \$215,000. The Public works department has expenditures less than the budget of \$1,021,619 in part due to a reduction in utilization of the transfer station which resulted in approximately \$223,000 of tonnage fees that were expended for disposal of waste, in addition, there were savings of approximately \$450,000 for unspent capital items within the Public works department. These items have been re-appropriated to 2008. There were savings within Public service of approximately \$2,000,000 for capital outlay as a result of the consolidation of the Powell Bill fund into the General Fund this year. Of this amount, \$1,174,700 was unspent and was re-appropriated to fiscal year 2008 for Public service. There was savings in several functions for capital items that were unspent, but were appropriated to fiscal year 2008. A total of \$2,209,613 was unspent and appropriated to the next fiscal year.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets at the end of the fiscal year amounted to \$9,319,595 for the Electric Fund, \$5,699,382 for the Gas Fund, \$3,621,832 for the Water Fund, \$2,042,868 for the Sewer Fund, and \$2,036,395 for the Storm Water Fund. The total growth of net assets for each fund was \$3,814,969, \$1,917,923, \$559,664, \$1,009,970, and \$550,317 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007, totals \$220,642,807 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles, and infrastructure for electric, gas, water, sewer and storm water services.

Major capital asset transactions during the year include the following additions:

Governmental Funds:

Additions

- Improvements to streets \$615,181
- Fire Station #6 renovations \$457,275
- Sports Complex construction \$240,880. Total expended over the life of the project \$9,095,225.
- Two garbage trucks \$349,908
- Nine public transportation vans \$340,991
- Fire vehicles: One heavy duty Fire and rescue truck , two light duty trucks, and one van \$413,613
- Improvements to sidewalks \$266,635
- Two public works tractors and one parks maintenance tractor \$248,988
- Twelve police vehicles and two police vans \$292,832
- Sunset Park Phase II renovation project \$236,646
- One meter reading truck, five public works trucks, one planning truck, one parks maintenance truck \$214,207

Proprietary Funds:

Additions

- Water Infrastructure \$1,357,877
- Gas Infrastructure \$423,550
- Sewer Infrastructure \$145,538
- Eight heavy duty utility trucks \$622,213
- Electric Transformers \$408,018
- Gas and Water meters, \$462,990
- Two pole yard buildings \$140,000
- Point of Delivery Station upgrades \$177,406. Total expended over the life of the project \$848,069.
- Lab and office expansion at sewer facility \$97,274. Total expended over the life of the project \$968,906.
- Electrical conversion at water treatment facility \$696,129. Total expended over the life of the project \$1,312,268.
- Elevator improvements water treatment plants \$159,756
- Three tractors \$148,612
- Construction in progress for digester and mixing aeration \$3,185,391. Total expended over the life of the project \$3,728,663.
- Construction in progress for Pump Station upgrade \$776,009

Figure 8:

**City of Rocky Mount
Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 6,220,590	\$ 6,169,329	\$ 1,018,399	\$ 1,018,399	\$ 7,238,989	\$ 7,187,728
Building	38,482,728	38,476,665	40,383,236	39,572,794	78,865,964	78,049,459
Improvements other than buildings	15,618,298	6,652,897	3,947,301	4,403,858	19,565,599	11,056,755
Machinery and equipment	9,369,753	8,959,500	16,006,078	15,547,824	25,375,831	24,507,324
Infrastructure	26,751,194	26,494,289	-	-	26,751,194	26,494,289
Distribution and collection systems	-	-	57,995,495	55,546,729	57,995,495	55,546,729
Construction in progress	244,433	9,136,554	4,605,302	3,046,726	4,849,735	12,183,280
Total Capital Assets (net of accumulated depreciation)	\$ 96,686,996	\$ 95,889,234	\$ 123,955,811	\$ 119,136,330	\$ 220,642,807	\$ 215,025,564

Additional information on the City's capital assets can be found in note 4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2007, the City had total bonded debt outstanding of \$7,190,033 (net of deferred amount on refunding). All of the bonded debt is related to Proprietary Fund operations and is considered to be self-supporting. The City also enters into installment lease financing arrangements which have 3 – 10 year terms. Both the governmental and business-type activities have installment leases payable.

Figure 9:

**City of Rocky Mount
Outstanding Debt
General Obligation Bonds, Installment Lease Payable, and Revolving Loans**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ -	\$ -	\$ 5,398,410	\$ 7,190,033	\$ 5,398,410	\$ 7,190,033
Installment lease payable	15,260,314	14,828,601	7,717,567	8,987,479	22,977,881	23,816,080
Revolving Loans			4,253,611	1,194,328	4,253,611	1,194,328
Total	\$ 15,260,314	\$ 14,828,601	\$ 17,369,588	\$ 17,371,840	\$ 32,629,902	\$ 32,200,441

The City's total bonded debt decreased by \$1,791,623 (25%) during the past fiscal year, due to principal payments on existing bonded debt. No new bonded debt was issued.

As mentioned in the financial highlights section of this document, the City maintained for the 10th consecutive year, its A1 bond rating from Moody's Investor Service and A+ rating from Standard

and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City and contributes to keeping interest costs low on the City's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$250,174,816.

Additional information regarding the City's long-term debt can be found in note 11 of this report.

Economic Factors and Next Year's Budgets and Rates

The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2008.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 6.8% at June 30, 2007. This is comparable to the prior year with only a 0.1% increase for this year. Overall, the unemployment rate has declined steadily from its highest at June 30, 2002 of 10.4%.
- Inflationary trends in the region compare favorably to national indices.
- Sales tax revenue increased 8.5% over the prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2008

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2008, the budget increased 2.3% over the prior year original budget. The City's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property tax, interest income, and permit fees. We expect some State-shared revenues to show little growth. There is an expected 5% growth in Powell Bill proceeds. The City expects continued growth of sales tax and an increase of 3.5% is budgeted. Fees for the City's municipal transfer station were increased an overall 5.1%. There is no increase for fees for residential solid waste pickup services, but commercial fees were increased 5%. The budget does not include an increase in the ad valorem tax rate. At the current rate, we anticipate that normal growth is sufficient to cover the additional operational costs. With this in mind, the budget was increased, but is sufficient to provide services at existing levels and was increased to cover operational costs and planned capital improvements.

Budgeted expenditures in the governmental activities also increased 2.3%. The largest increments are in employee compensation, including funding compensation and benefits. There is no increase in health or life insurance premiums. Our employees have taken to heart our efforts to encourage "smart" utilization of their medical coverage, and as result, our claims are decreasing. We are holding 18 vacant positions in the general fund; a decrease of 2 positions from the prior year. The budget also includes funding of a comprehensive compensation study in order to maintain competitive salaries to attract and retain quality employees in order to maintain and improve services. Unavoidable increases occur in communications, utilities, gasoline/diesel fuel, and chemicals. Capital project funding was limited; however, there is funding to replace ten patrol vehicles in the Police department, funding to investigate the feasibility of converting a City-owned building into a public safety training facility, replacement of the work floor at the Solid Waste Transfer Station, and within the Powell Bill fund there is continual funding for new

construction and repair of sidewalks. As part of the preparation for the upcoming annexation on June 30, 2008, the City has budgeted funds for service expansions and has included the hiring of new employees in environmental services and community code.

Business-type Activities: The business-type funds' budget increased 1.2% for the fiscal year ending June 30, 2008. Rate increases were necessary in some funds to cover increased cost of operations. There is no electric or gas rate increases for fiscal year ending June 30, 2008; however, increases are expected if the City's suppliers increase their rates. There is no increase to sewer and stormwater rates. Water rates increased 2.5% to cover some of the substantial increases experienced in chemical costs. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses increased 1.2%. The largest increases are in the cost of purchased power, purchased gas, and employee compensation and benefits. We are holding 10 positions vacant in the public utilities, water resources, and stormwater funds. This is an increase of 2 over the prior year. Capital projects were limited. Funding is provided for distribution system improvements, transmission pole replacement, funds for the continuation of the automated meter-reading project, continuing the cast iron main replacement program, treatment facility improvements, new gas lines and equipment, water and sewer extensions, and continued rehabilitation of existing sewer mains.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Rocky Mount, PO Box 1180, Rocky Mount, NC 27802.

BASIC FINANCIAL STATEMENTS



CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government			City of Rocky Mount Theatre, LLC
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current Assets:				
Cash and cash equivalents/ investments	\$ 19,840,737	\$ 18,406,896	\$ 38,247,633	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	1,493,303	-	1,493,303	-
Taxes-other	8,022	-	8,022	-
Customers	737,108	13,223,866	13,960,974	-
Other governmental agencies	4,999,747	-	4,999,747	-
Notes receivable	-	14,488	14,488	-
Assessments	1,331,538	269,303	1,600,841	-
Other	3,174,467	648,837	3,823,304	-
Inventories	345,406	2,569,654	2,915,060	-
Restricted cash and investments	1,305,432	1,178,096	2,483,528	172,397
Total current assets	33,235,760	36,311,140	69,546,900	172,497
Capital Assets:				
Nondepreciable	6,465,023	5,623,701	12,088,724	-
Depreciable, net	90,221,973	118,332,110	208,554,083	9,395,332
Total capital assets	96,686,996	123,955,811	220,642,807	9,395,332
Other Noncurrent Assets:				
Notes receivable	1,259,173	-	1,259,173	-
Other	-	-	-	59,413
Unamortized bond issuance costs	-	40,755	40,755	-
Total other noncurrent assets	1,259,173	40,755	1,299,928	59,413
Total noncurrent assets	97,946,169	123,996,566	221,942,735	9,454,745
Total assets	131,181,929	160,307,706	291,489,635	9,627,242
Liabilities:				
Current Liabilities:				
Current maturities of long-term debt	2,255,811	3,151,699	5,407,510	-
Accrued compensation absences and other accrued liabilities	1,515,300	404,526	1,919,826	-
Accounts payable and accrued expenses	2,648,328	8,054,207	10,702,535	31,853
Total current liabilities	6,419,439	11,610,432	18,029,871	31,853

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2007**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Noncurrent Liabilities:				
Deposits	395,500	3,767,758	4,163,258	-
Unearned revenue and other accrued liabilities	1,558,512	-	1,558,512	-
	1,491,503	227,236	1,718,739	-
Long-term debt	<u>13,632,728</u>	<u>14,217,889</u>	<u>27,850,617</u>	<u>8,300,863</u>
Total noncurrent liabilities	<u>17,078,243</u>	<u>18,212,883</u>	<u>35,291,126</u>	<u>8,300,863</u>
Total liabilities	<u>23,497,682</u>	<u>29,823,315</u>	<u>53,320,997</u>	<u>8,332,716</u>
Net Assets:				
Invested in capital assets, net of related debt	81,922,916	107,764,319	189,687,235	1,122,029
Restricted for:				
Streets	1,655,857	-	1,655,857	-
Theatre	-	-	-	172,397
Unrestricted	<u>24,105,474</u>	<u>22,720,072</u>	<u>46,825,546</u>	<u>100</u>
Total net assets	<u>\$ 107,684,247</u>	<u>\$ 130,484,391</u>	<u>\$ 238,168,638</u>	<u>\$ 1,294,526</u>

The accompanying notes are an integral part of the financial statements.



CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,828,638	\$ 3,221,954	\$ 219,422	\$ 65,726
Public safety	20,528,191	578,729	408,241	-
Public works	8,105,415	5,781,811	47,500	-
Engineering	984,492	52,786	-	-
Parks and recreation	8,241,393	1,125,845	44,750	490,725
Public service	4,944,155	1,500,327	4,893,850	892,536
Community revitalization	1,823,575	-	1,759,945	-
Interest on long-term debt	460,662	-	-	-
Total governmental activities	<u>50,916,521</u>	<u>12,261,452</u>	<u>7,373,708</u>	<u>1,448,987</u>
Business-Type Activities:				
Electric	78,320,332	83,074,744	-	-
Gas	27,016,418	29,526,454	-	-
Water	8,817,067	9,512,039	-	-
Sewer	9,658,399	10,601,619	-	-
Storm water management	2,748,537	2,666,750	-	-
Total business-type activities	<u>126,560,753</u>	<u>135,381,606</u>	<u>-</u>	<u>-</u>
Total primary government	<u>177,477,274</u>	<u>147,643,058</u>	<u>7,373,708</u>	<u>1,448,987</u>
Component Unit:				
City of Rocky Mount Theatre, LLC	265,087	-	784,909	-
Total component unit	<u>\$ 265,087</u>	<u>\$ -</u>	<u>\$ 784,909</u>	<u>\$ -</u>

General Revenues:

Taxes:

Ad valorem
Local option tax
Franchise tax
Telecommunication tax
Other taxes
Investment earnings
Transfers
Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1
Prior period adjustment
Beginning of year - restated
End of year - June 30

The accompanying notes are an integral part of the financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			City of Rocky Mount Theatre, LLC
Governmental Activities	Business-Type Activities	Total	
\$ (2,321,536)	\$ -	\$ (2,321,536)	\$ -
(19,541,221)	-	(19,541,221)	-
(2,276,104)	-	(2,276,104)	-
(931,706)	-	(931,706)	-
(6,580,073)	-	(6,580,073)	-
2,342,558	-	2,342,558	-
(63,630)	-	(63,630)	-
(460,662)	-	(460,662)	-
<u>(29,832,374)</u>	<u>-</u>	<u>(29,832,374)</u>	<u>-</u>
-	4,754,412	4,754,412	-
-	2,510,036	2,510,036	-
-	694,972	694,972	-
-	943,220	943,220	-
-	(81,787)	(81,787)	-
-	<u>8,820,853</u>	<u>8,820,853</u>	<u>-</u>
<u>(29,832,374)</u>	<u>8,820,853</u>	<u>(21,011,521)</u>	<u>-</u>
-	-	-	519,822
-	-	-	<u>519,822</u>
17,658,024	-	17,658,024	-
8,269,778	-	8,269,778	-
2,582,365	-	2,582,365	-
892,825	-	892,825	-
460,298	-	460,298	-
1,554,069	1,244,435	2,798,504	1,557
2,212,445	(2,212,445)	-	-
<u>33,629,804</u>	<u>(968,010)</u>	<u>32,661,794</u>	<u>1,557</u>
3,797,430	7,852,843	11,650,273	521,379
106,063,710	122,746,632	228,810,342	773,147
<u>(2,176,893)</u>	<u>(115,084)</u>	<u>(2,291,977)</u>	<u>-</u>
<u>103,886,817</u>	<u>122,631,548</u>	<u>226,518,365</u>	<u>773,147</u>
<u>\$ 107,684,247</u>	<u>\$ 130,484,391</u>	<u>\$ 238,168,638</u>	<u>\$ 1,294,526</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 17,905,599	\$ 1,935,138	\$ 19,840,737
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,487,015	6,288	1,493,303
Other taxes	8,022	-	8,022
Customers	737,108	-	737,108
Other governmental agencies	3,151,363	1,848,384	4,999,747
Due from other funds	560,848	-	560,848
Other	2,673,404	485,480	3,158,884
Assessments	1,331,538	-	1,331,538
Inventories	345,406	-	345,406
Notes receivable	1,259,173	-	1,259,173
Restricted cash and investments	146,172	350,062	496,234
Total assets	<u>\$ 29,605,648</u>	<u>\$ 4,625,352</u>	<u>\$ 34,231,000</u>
Liabilities and Fund Balances:			
Accounts payable and accrued expenditures	\$ 1,904,963	\$ 145,699	\$ 2,050,662
Due to other funds	-	560,848	560,848
Deposits	377,951	17,549	395,500
Deferred revenues	4,591,828	6,288	4,598,116
Total liabilities	<u>6,874,742</u>	<u>730,384</u>	<u>7,605,126</u>
Fund Balances:			
Reserved for:			
Notes receivable	1,259,173	-	1,259,173
Inventories	345,406	-	345,406
State statute	6,905,596	1,214,223	8,119,819
Powell Bill	1,655,857	-	1,655,857
Financing agreement	-	350,062	350,062
Designated for subsequent year's expenditures-Powell Bill	1,174,700	-	1,174,700
Unreserved:			
Designated for subsequent year's expenditures-General Fund	1,034,913	-	1,034,913
Undesignated, reported in:			
General Fund	10,355,261	-	10,355,261
Special revenue	-	1,842,385	1,842,385
Capital projects	-	488,298	488,298
Total fund balances	<u>22,730,906</u>	<u>3,894,968</u>	<u>26,625,874</u>
Total liabilities and fund balances	<u>\$ 29,605,648</u>	<u>\$ 4,625,352</u>	<u>\$ 34,231,000</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007**

Reconciliation of Governmental Funds Balance Sheet to the Statement of Activities:

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

Ending fund balance-governmental funds	\$ 26,625,874
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,686,996
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,039,604
Assets and liabilities of the risk management fund used by management to account for certain insurance costs are included in governmental activities in the statement of net assets.	754,837
Compensated absences not expected to be materially liquidated with expendable available resources	(3,006,803)
Long-term liabilities, principally installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	<u>(16,416,261)</u>
Net assets of governmental activities	<u>\$ 107,684,247</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 17,489,699	\$ 67,701	\$ 17,557,400
Intergovernmental	16,624,384	5,002,710	21,627,094
Licenses and permits	1,093,244	-	1,093,244
Sales and service	7,440,276	-	7,440,276
Project	-	2,248,049	2,248,049
Investment earnings	1,066,003	71,777	1,137,780
Miscellaneous	1,003,200.00	164,088.00	1,167,288.00
Total revenues	<u>44,716,806.00</u>	<u>7,554,325.00</u>	<u>52,271,131.00</u>
Expenditures:			
Current:			
General government	4,962,300	117,391	5,079,691
Public safety	19,730,063	992,932	20,722,995
Public works	8,687,750	-	8,687,750
Engineering	983,545	-	983,545
Parks and recreation	6,986,768	1,044,288	8,031,056
Public service	1,588,200	3,355,955	4,944,155
Community revitalization	-	1,823,575	1,823,575
Debt service	2,456,978	694,083	3,151,061
Total expenditures	<u>45,395,604</u>	<u>8,028,224</u>	<u>53,423,828</u>
Revenues over (under) expenditures	<u>(678,798)</u>	<u>(473,899)</u>	<u>(1,152,697)</u>
Other Financing Sources (Uses):			
Transfers in	3,056,299	1,015,608	4,071,907
Transfers out	(1,233,100)	(626,362)	(1,859,462)
Installment purchases	682,000	350,000	1,032,000
Total other financing sources (uses)	<u>2,505,199</u>	<u>739,246</u>	<u>3,244,445</u>
Net change in fund balances	1,826,401	265,347	2,091,748
Fund balance:			
Beginning of year, July 1	<u>20,904,505</u>	<u>3,629,621</u>	<u>24,534,126</u>
End of year, June 30	<u>\$ 22,730,906</u>	<u>\$ 3,894,968</u>	<u>\$ 26,625,874</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of activities (Exhibit B)
are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 2,091,748
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.</p>	
Capital outlay	5,283,290
Depreciation	(4,418,799)
Basis of disposed/transferred capital assets	(66,729)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	(826,552)
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.	(622,788)
<p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Debt issuance	(1,032,000)
Debt retirement	2,690,399
A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	<u>698,861</u>
Changes in net assets of governmental activities	<u>\$ 3,797,430</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance Positive/(Negative)
	Original	Final		
Revenues:				
Taxes	\$ 17,555,000	\$ 17,555,000	\$ 17,489,699	\$ (65,301)
Intergovernmental	16,142,480	16,768,006	16,624,384	(143,622)
Licenses and permits	1,143,000	1,143,000	1,093,244	(49,756)
Sales and service	7,881,450	7,886,450	7,440,276	(446,174)
Investment earnings	620,000	720,000	1,066,003	346,003
Miscellaneous	976,075	1,024,605	1,003,200	(21,405)
Total revenues	<u>44,318,005</u>	<u>45,097,061</u>	<u>44,716,806</u>	<u>(380,255)</u>
Expenditures:				
Current:				
General Government				
Mayor and council	939,978	751,634	417,667	333,967
City clerk	214,693	227,043	218,645	8,398
Community services	479,900	492,101	484,342	7,759
City manager	545,661	554,750	531,897	22,853
Public affairs	114,909	114,909	95,037	19,872
Downtown development	110,429	130,969	101,576	29,393
Finance	677,091	1,114,602	221,242	893,360
Central services	693,600	743,211	674,998	68,213
Planning and development	1,524,980	1,468,885	1,318,259	150,626
Human resources	1,348,504	1,334,004	672,218	661,786
Human relations	226,743	226,744	226,419	325
Total general government	<u>6,876,488</u>	<u>7,158,852</u>	<u>4,962,300</u>	<u>2,196,552</u>
Public Safety:				
Police	11,328,093	11,166,524	10,868,909	297,615
Fire	8,860,231	8,894,587	8,861,154	33,433
Total public safety	<u>20,188,324</u>	<u>20,061,111</u>	<u>19,730,063</u>	<u>331,048</u>
Public Works:				
Administration	184,849	195,070	189,976	5,094
Street and row maintenance	1,655,137	1,632,128	1,498,163	133,965
Housing code enforcement	817,730	933,302	909,292	24,010
Environmental service	6,404,502	6,438,506	5,779,252	659,254
Fleet maintenance	476,463	510,363	311,067	199,296
Total public works	<u>9,538,681</u>	<u>9,709,369</u>	<u>8,687,750</u>	<u>1,021,619</u>
Engineering:				
Administration	512,019	533,517	480,110	53,407
Traffic	606,104	616,807	503,435	113,372
Total engineering	<u>1,118,123</u>	<u>1,150,324</u>	<u>983,545</u>	<u>166,779</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and Recreation:				
Administration	334,566	341,986	336,671	5,315
Athletics	471,780	495,619	493,550	2,069
Cultural arts	669,805	703,505	682,595	20,910
Amusements and special events	125,163	125,163	124,996	167
Museum	469,147	443,647	420,800	22,847
Parks maintenance	1,545,766	1,520,625	1,515,657	4,968
Cemetery operations	408,161	385,547	383,966	1,581
Outdoor programs	236,381	246,575	246,210	365
Neighborhood programs	528,682	532,137	531,441	696
Senior programs	360,879	379,034	376,702	2,332
Sports complex	418,172	390,008	389,976	32
Imperial Centre	1,408,498	1,485,078	1,484,204	874
Total parks and recreation	<u>6,977,000</u>	<u>7,048,924</u>	<u>6,986,768</u>	<u>62,156</u>
Public service	<u>1,908,400</u>	<u>3,594,320</u>	<u>1,588,200</u>	<u>2,006,120</u>
Debt service	<u>2,648,680</u>	<u>2,824,556</u>	<u>2,456,978</u>	<u>367,578</u>
Total expenditures	<u>49,255,696</u>	<u>51,547,456</u>	<u>45,395,604</u>	<u>6,151,852</u>
Revenues over (under) expenditures	<u>(4,937,691)</u>	<u>(6,450,395)</u>	<u>(678,798)</u>	<u>5,771,597</u>
Other Financing Sources (Uses):				
Transfers in	3,000,000	3,000,000	3,056,299	56,299
Transfers out	(915,329)	(1,251,815)	(1,233,100)	18,715
Installment purchase financing used	<u>1,087,000</u>	<u>1,087,000</u>	<u>682,000</u>	<u>(405,000)</u>
Total other financing sources (uses)	<u>3,171,671</u>	<u>2,835,185</u>	<u>2,505,199</u>	<u>(329,986)</u>
Fund balance appropriated	<u>1,766,020</u>	<u>3,615,210</u>	<u>-</u>	<u>(3,615,210)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,826,401</u>	<u>\$ 1,826,401</u>
Fund Balance:				
Beginning of year, July 1			<u>20,904,505</u>	
End of year, June 30			<u>\$ 22,730,906</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

JUNE 30, 2007

	Business-Type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 5,740,265	\$ 6,349,154	\$ 3,461,016	\$ 644,730
Restricted cash and investments	187,241	82,626	486,098	422,131
Assessments	-	-	111,447	157,856
Customers	9,919,744	989,123	1,155,932	1,159,067
Notes receivable	-	-	9,812	4,676
Other	138,275	14,840	5,259	490,463
Inventories	2,346,268	87,285	128,736	7,365
Total current assets	18,331,793	7,523,028	5,358,300	2,886,288
Capital Assets:				
Capital assets, nondepreciable	112,441	8,727	805,580	4,596,323
Capital assets, depreciable, net of accumulated depreciation and amortization	26,330,226	8,837,668	29,949,228	51,876,029
Total capital assets (net of accumulated depreciation)	26,442,667	8,846,395	30,754,808	56,472,352
Noncurrent Assets:				
Unamortized bond issuance costs	-	-	17,564	23,191
Total noncurrent assets	-	-	17,564	23,191
Total assets	\$ 44,774,460	\$ 16,369,423	\$ 36,130,672	\$ 59,381,831
Liabilities and Net Assets:				
Current Liabilities:				
Current maturities of long-term debt	\$ 436,551	\$ 56,962	\$ 288,097	\$ 2,199,105
Accounts payable and accrued expenditures	6,446,820	827,487	347,467	341,362
Total current liabilities	6,883,371	884,449	635,564	2,540,467
Noncurrent Liabilities:				
Deposits	2,127,157	851,839	752,657	8,302
Accrued compensated absences	250,980	61,694	167,810	94,816
Noncurrent portion of long-term debt	1,160,533	120,038	5,070,245	7,588,868
Total noncurrent liabilities	3,538,670	1,033,571	5,990,712	7,691,986
Total liabilities	10,422,041	1,918,020	6,626,276	10,232,453
Net Assets:				
Invested in capital assets, net of related debt	25,032,824	8,752,021	25,882,564	47,106,510
Unrestricted	9,319,595	5,699,382	3,621,832	2,042,868
Total net assets	\$ 34,352,419	\$ 14,451,403	\$ 29,504,396	\$ 49,149,378

The accompanying notes are an integral part of the financial statements.

Exhibit G

		Governmental Activities
Other Nonmajor Fund	Total Business-Type Activities Enterprise	Internal Service Fund
Storm Water Management		Risk Management
\$ 2,211,731	\$ 18,406,896	\$ -
-	1,178,096	809,198
-	269,303	-
-	13,223,866	-
-	14,488	-
-	648,837	15,583
-	2,569,654	-
<u>2,211,731</u>	<u>36,311,140</u>	<u>824,781</u>
100,630	5,623,701	-
<u>1,338,959</u>	<u>118,332,110</u>	<u>-</u>
<u>1,439,589</u>	<u>123,955,811</u>	<u>-</u>
-	40,755	-
-	40,755	-
<u>\$ 3,651,320</u>	<u>\$ 160,307,706</u>	<u>\$ 824,781</u>
\$ 170,984	\$ 3,151,699	\$ -
<u>91,071</u>	<u>8,054,207</u>	<u>69,944</u>
<u>262,055</u>	<u>11,205,906</u>	<u>69,944</u>
27,803	3,767,758	-
56,462	631,762	-
<u>278,205</u>	<u>14,217,889</u>	<u>-</u>
<u>362,470</u>	<u>18,617,409</u>	<u>-</u>
<u>624,525</u>	<u>29,823,315</u>	<u>69,944</u>
990,400	107,764,319	-
<u>2,036,395</u>	<u>22,720,072</u>	<u>754,837</u>
<u>\$ 3,026,795</u>	<u>\$ 130,484,391</u>	<u>\$ 754,837</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities			
	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 81,020,266	\$ 29,526,454	\$ 9,323,877	\$ 10,522,925
Licenses and permits	-	-	36,401	10,462
Other operating revenues	1,815,179	-	151,761	68,232
Total operating revenues	<u>82,835,445</u>	<u>29,526,454</u>	<u>9,512,039</u>	<u>10,601,619</u>
Operating Expenses:				
Distribution systems	72,725,542	26,550,049	-	-
Treatment plants	-	-	4,950,597	5,366,691
Support services	572,529	-	2,315,164	2,486,356
Energy services	2,535,886	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	1,509,613	227,739	1,189,158	1,453,521
Total operating expenses	<u>77,343,570</u>	<u>26,777,788</u>	<u>8,454,919</u>	<u>9,306,568</u>
Operating income (loss)	<u>5,491,875</u>	<u>2,748,666</u>	<u>1,057,120</u>	<u>1,295,051</u>
Nonoperating Revenues (Expenses):				
Other	239,299	-	-	-
Investment earnings	510,557	307,887	214,692	89,195
Interest expense	(81,912)	-	(302,495)	(351,831)
Appropriation to school system	(894,850)	(238,630)	(59,653)	-
Total nonoperating revenues (expenses)	<u>(226,906)</u>	<u>69,257</u>	<u>(147,456)</u>	<u>(262,636)</u>
Income (loss) before transfers	<u>5,264,969</u>	<u>2,817,923</u>	<u>909,664</u>	<u>1,032,415</u>
Transfers in	-	-	-	-
Transfers out	(1,450,000)	(900,000)	(350,000)	(22,445)
Total transfers	<u>(1,450,000)</u>	<u>(900,000)</u>	<u>(350,000)</u>	<u>(22,445)</u>
Change in net assets	3,814,969	1,917,923	559,664	1,009,970
Net Assets:				
Beginning of year - July 1	30,537,450	12,533,480	28,944,732	48,139,408
End of year - June 30	<u>\$ 34,352,419</u>	<u>\$ 14,451,403</u>	<u>\$ 29,504,396</u>	<u>\$ 49,149,378</u>

The accompanying notes are an integral part of the financial statements.

Exhibit H

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities</u>
		<u>Internal Service Fund</u>
<u>Storm Water Management</u>		<u>Risk Management</u>
\$ 2,666,750	\$ 133,060,272	\$ 5,326,270
-	46,863	-
-	2,035,172	-
<u>2,666,750</u>	<u>135,142,307</u>	<u>5,326,270</u>
-	99,275,591	-
-	10,317,288	-
675,511	6,049,560	-
-	2,535,886	-
1,885,285	1,885,285	-
-	-	3,869,146
-	-	758,266
178,189	4,558,220	-
<u>2,738,985</u>	<u>124,621,830</u>	<u>4,627,412</u>
<u>(72,235)</u>	<u>10,520,477</u>	<u>698,858</u>
-	239,299	-
122,104	1,244,435	-
(9,552)	(745,790)	-
-	(1,193,133)	-
<u>112,552</u>	<u>(455,189)</u>	<u>-</u>
<u>40,317</u>	<u>10,065,288</u>	<u>698,858</u>
510,000	510,000	-
-	(2,722,445)	-
<u>510,000</u>	<u>(2,212,445)</u>	<u>-</u>
550,317	7,852,843	698,858
<u>2,476,478</u>	<u>122,631,548</u>	<u>55,979</u>
<u>\$ 3,026,795</u>	<u>\$ 130,484,391</u>	<u>\$ 754,837</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 83,127,653	\$ 29,872,023	\$ 9,478,710	\$ 10,922,743
Payments to suppliers for goods and services	(73,721,997)	(25,408,579)	(4,780,955)	(6,233,668)
Payments to or on behalf of employees	(3,729,324)	(1,151,528)	(2,647,919)	(2,075,424)
Net cash provided (used) by operating activities	<u>5,676,332</u>	<u>3,311,916</u>	<u>2,049,836</u>	<u>2,613,651</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds - net	(1,450,000)	(900,000)	(350,000)	(22,445)
Appropriation to school system	(894,850)	(238,630)	(59,653)	-
Net cash provided (used) by noncapital financing activities	<u>(2,344,850)</u>	<u>(1,138,630)</u>	<u>(409,653)</u>	<u>(22,445)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,365,665)	(903,339)	(2,184,488)	(4,478,835)
Interest paid	(81,912)	-	(302,495)	(351,831)
Proceeds from capital lease	100,000	177,000	-	3,089,059
Insurance recovery	238,986	-	-	-
Principal payments on long-term debt	(936,113)	-	(1,185,163)	(1,335,388)
Net cash provided (used) by capital and related financing activities	<u>(2,044,704)</u>	<u>(726,339)</u>	<u>(3,672,146)</u>	<u>(3,076,995)</u>
Cash Flows From Investing Activities interest on investments:				
Investment earnings	<u>510,557</u>	<u>307,887</u>	<u>214,692</u>	<u>89,195</u>
Net cash provided (used) by investing activities	<u>510,557</u>	<u>307,887</u>	<u>214,692</u>	<u>89,195</u>
Net increase in cash and cash equivalents/investments	<u>1,797,335</u>	<u>1,754,834</u>	<u>(1,817,271)</u>	<u>(396,594)</u>
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	<u>4,130,171</u>	<u>4,676,946</u>	<u>5,764,385</u>	<u>1,463,455</u>
End of year, June 30	<u>\$ 5,927,506</u>	<u>\$ 6,431,780</u>	<u>\$ 3,947,114</u>	<u>\$ 1,066,861</u>
Cash and cash equivalents/investments	\$ 5,740,265	\$ 6,349,154	\$ 3,461,016	\$ 644,730
Restricted cash and investments	<u>187,241</u>	<u>82,626</u>	<u>486,098</u>	<u>422,131</u>
	<u>\$ 5,927,506</u>	<u>\$ 6,431,780</u>	<u>\$ 3,947,114</u>	<u>\$ 1,066,861</u>
Supplemental disclosures of noncash investing/financing activities:				
Amortization of bond issuance cost	\$ -	\$ -	\$ 5,854	\$ 7,730
Amortization of deferred refunding, cost	\$ -	\$ -	\$ 57,376	\$ 66,001

The accompanying notes are an integral part of the financial statements.

Exhibit I
Page 1 of 2

<u>Other Nonmajor Fund</u>		<u>Governmental Activities</u>
<u>Storm Water Management</u>	<u>Total</u>	<u>Internal Service Fund</u>
		<u>Risk Management</u>
\$ 2,558,547	\$ 135,959,676	\$ 5,328,778
(1,068,872)	(111,214,071)	(4,531,089)
<u>(1,466,841)</u>	<u>(11,071,036)</u>	<u>-</u>
22,834	13,674,569	797,689
510,000	(2,212,445)	-
<u>-</u>	<u>(1,193,133)</u>	<u>-</u>
510,000	(3,405,578)	-
(445,373)	(9,377,700)	-
(9,552)	(745,790)	-
-	3,366,059	-
241,000	479,986	-
<u>(139,068)</u>	<u>(3,595,732)</u>	<u>-</u>
<u>(352,993)</u>	<u>(9,873,177)</u>	<u>-</u>
122,104	1,244,435	-
<u>122,104</u>	<u>1,244,435</u>	<u>-</u>
301,945	1,640,249	797,689
1,909,786	17,944,743	11,509
<u>\$ 2,211,731</u>	<u>\$ 19,584,992</u>	<u>\$ 809,198</u>
\$ 2,211,731	\$ 18,406,896	-
-	1,178,096	809,198
<u>\$ 2,211,731</u>	<u>\$ 19,584,992</u>	<u>\$ 809,198</u>
<u>\$ -</u>	<u>\$ 13,584</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 123,377</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 5,491,875	\$ 2,748,666	\$ 1,057,120	\$ 1,295,051
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	1,509,613	227,739	1,189,158	1,453,521
Change in Assets and Liabilities:				
(Increase) decrease in receivables and assessments	131,481	314,492	(90,513)	322,459
(Increase) decrease in inventories	(1,443,800)	(4,685)	(59,850)	(1,402)
(Increase) decrease in asset	-	-	-	-
Increase (decrease) in accounts payable and accrued expenses	(203,489)	(3,929)	(112,297)	(459,307)
Increase (decrease) in deposits	160,727	31,077	57,184	(1,063)
Increase (decrease) in accrued compensated absences and other accrued liabilities	29,925	(1,444)	9,034	4,392
Net cash provided (used) by operating activities	<u>\$ 5,676,332</u>	<u>\$ 3,311,916</u>	<u>\$ 2,049,836</u>	<u>\$ 2,613,651</u>

The accompanying notes are an integral part of the financial statements.

Exhibit I
Page 2 of 2

<u>Other Nonmajor Fund</u>	<u>Total</u>	<u>Governmental Activities</u>
<u>Storm Water Management</u>		<u>Internal Service Fund</u>
		<u>Risk Management</u>
\$ (72,235)	\$ 10,520,477	\$ 698,858
178,189	4,558,220	-
(136,006)	541,913	2,508
-	(1,509,737)	-
-	-	-
28,703	(750,319)	96,323
27,803	275,728	-
<u>(3,620)</u>	<u>38,287</u>	<u>-</u>
<u>\$ 22,834</u>	<u>\$ 13,674,569</u>	<u>\$ 797,689</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>455,030</u>
Liabilities:	
Due to other government agency	\$ <u>455,030</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.



CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

1. Summary of Significant Accounting Policies

The accounting policies of the City of Rocky Mount (the "City") and its discretely presented component unit conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven member council and is located in eastern North Carolina in the coastal plains area. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 56,000 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, hazard mitigation and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

GAAP requires that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City of Rocky Mount Theatre, LLC

The members of the Theatre's advisory board are appointed by the City. The City of Rocky Mount Theatre, LLC, which has a December 31 year-end, is presented as if it were a governmental fund (discrete presentation). Questions concerning the financial statements of the City of Rocky Mount Theatre, LLC or requests for additional information should be directed to the City Manager's Office, City of Rocky Mount, P. O. Box 1180, Rocky Mount, NC 27802.

Basis of Presentation

Government-Wide Statements: The statement of net assets and the statement of activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds including fiduciary fund. Separate statements for each fund category, *governmental proprietary, and fiduciary* are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for public safety, transportation, environmental protection, cultural and recreation, and general governmental services.

The City reports the following major enterprise funds:

Water Fund – This fund accounts for the operations of the City's water system.

Gas Fund – This fund is used to account for the operation of the City's natural gas distribution system.

Sewer Fund – This fund accounts for the operations of the City's waste water system.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Electric Fund – This fund accounts for the operations of the City’s electric system.

Additionally, the City reports the following fund types:

Internal Service Fund – The City has one internal service fund, its Risk Management Fund, which is used to account for its self-insurance health care benefit.

Agency Funds – These funds are used to account for assets held by the City as an agent for individuals and private organizations. Agency funds are custodial in nature and do not involve the measurement of operating results. The City maintains two agency funds: Community Development and Governmental Activities Fund and the Business Development Fund.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. 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 City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Revenues of the City’s internal service fund are generally premiums charged to its employees for insurance coverage. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all general revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Nash and Edgecombe Counties are responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City. For those motor vehicles registered under the staggered system, and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. As of June 30, 2007 all annually registered vehicles have been converted into the staggered system.

The City reports deferred and unearned revenue on its balance sheet in governmental funds when potential revenue does not meet the "available" criteria for recognition in the current period. Deferred and unearned revenues are reported on both the City's statement of net assets and its balance sheet in governmental funds when the City receives resources before it has a legal claim to them. In addition, deferred and unearned revenues are reported on the City's statement of net assets when receivables are collectible over an extended period of time and their collectibility cannot be reasonably estimated or the City anticipates forgiving the debt at some future date.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

general revenues.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The City has elected not to follow subsequent private-sector guidance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Data

In compliance with State statutes, the City Council adopts an annual budget ordinance for all governmental and enterprise funds except funds authorized by project ordinance. The City's Risk Management Fund, which is an intra-governmental service fund, operates under a financial plan. As is required by North Carolina General Statutes, the governing board adopts the plan at the same time the City's budget ordinance is approved.

Appropriations are made at the departmental level and amended as necessary by City Council. The budget information shown in the basic financial statements reports the original and final budget ordinance. The original budget data represents the annual budget ordinance adopted by the City Council for the year ended June 30, 2007. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2007. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

During the year, several amendments to the original budget were necessary. The budget has been restructured in order to conform to the structure of the actual data which is presented in a form to provide the greatest economic meaning to the data. The budget is prepared on the modified accrual basis of accounting as required by State statute. All annual appropriations lapse at each fiscal year-end and must be reappropriated in the following fiscal year's budget. Agency funds are not budgeted. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Funds with Multi-Year Budgets

Certain special revenue funds and capital projects funds are budgeted under project ordinances spanning more than one fiscal year. Project appropriations for these funds continue until the projects are complete. Those funds include the Special Revenue Funds – Entitlement Grants, Emergency Management, Public Transportation Grants, Crime/Safety Control, Economic Development, Occupancy Tax and the Capital Project Funds – General Capital Development Projects, and Imperial Theatre Capital Project.

Funds adopting annual budgets include the General Fund, the Proprietary Funds, the Special Revenue Funds – Powell Bill Grants and Emergency Telephone System, as well as the Capital Project Fund – General Capital Projects.

Encumbrances

As required by the State statutes, the City maintains encumbrance accounts during the year which are considered to be “budgetary accounts.” Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress and open purchase orders at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reappropriated in the subsequent year’s budget.

Statement of Cash Flows

All cash and investments of the enterprise funds are maintained in cash and investment pools. Funds are available on demand from the pools. Accordingly, all cash and investments are considered cash and cash equivalents in the statement of cash flows.

Cash and Cash Equivalents

The City pools its unrestricted cash resources from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The City of Rocky Mount Theatre, LLC, considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Interest earned as a result of pooling cash and investments is distributed to the appropriate funds utilizing a formula based on the average monthly balance of cash and investments of each fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Assets, Liabilities and Fund Equity

Restricted Investments

The unexpended proceeds from the installment purchase agreements entered into by the City are classified as restricted investments in the respective funds because their use is completely restricted to the purpose for which the agreement was originally intended.

Ad Valorem Taxes Receivable

In accordance with State law [G. S. 105-347 and G. S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1 of the levy year and assessed values as of the same date. The lien of property taxes attaches to all the taxpayer's real estate in the City as of January 1 of the year in which the property is listed and assessed. The lien of property taxes attaches to personal property of the taxpayer only when that property is seized or attached by the tax collector.

Allowances for Doubtful Accounts

Allowances for doubtful accounts are maintained on all types of receivables which historically experience uncollectible accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Due To/From Other Funds

Amounts reported at June 30, 2007 as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventories

Inventories of the General Fund consist primarily of expendable supplies held for consumption and are stated at cost (determined on the weighted-average basis). The costs of General Fund inventories are recorded as expenditures when consumed rather than when purchased and are offset by a fund balance reserve in the balance sheet - governmental funds which indicates that inventories do not constitute a resource available for appropriations.

Inventories of the enterprise funds consist of various items used in the maintenance of existing utility systems and expansion of new systems and are stated at the lower cost or market, cost being determined on the weighted-average basis. These items will be either expensed when consumed in the future as maintenance of existing systems or capitalized as a part of the development of new systems.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Capital Assets

Capital assets which include property, plant, and equipment and infrastructure are reported in the City's government-wide and proprietary fund financial statements. Capital assets of the City generally have an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Assets are stated at cost if purchased or constructed. Costs for assets acquired prior to June 30, 1981 were recorded in the capital asset records based on a physical inventory of such assets at that date with assignment of actual cost, where this was available, and estimated historical cost, where actual historical cost could not be determined. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets transferred to a recipient fund are recorded at the same book value as the transferor fund.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives. Assets acquired under capital leases are amortized over the assets' estimated useful lives. Capital assets are reported in the City's basic financial statements net of accumulated depreciation and amortization. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Useful Lives</u>
Land improvements	25 years
Buildings	50 years
Equipment	2 to 30 years
Infrastructure:	
Streets and curbing	75 years
Distribution system	30 to 75 years

Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The amount of interest is calculated by offsetting interest earned on invested proceeds with interest expense incurred from the date of the borrowings until completion of the project.

Long-Term Obligations

General obligation bonds are direct obligations and pledge the full faith and credit of the City. Such obligations are generally issued as 25-year serial bonds with equal amounts of principal maturing each year. The City's general obligation bonds, currently outstanding, were issued to finance the acquisition and construction of major capital facilities utilized in the operations of its enterprise funds. It is the intention of the City that those obligations, including both principal and interest, are to be repaid from the earnings of the enterprise funds. Therefore, the bonds are included in the accounts of the appropriate enterprise funds.

The City has acquired equipment under installment purchase agreements. Installment purchase agreements are recorded in the applicable columns of the government-wide and proprietary fund financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

The debt service requirements for long-term debt obligations are appropriated annually in the appropriate fund.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The compensated absences policy of the City provides for the accumulation of up to thirty (30) days earned vacation with such leave being fully vested when earned. The amount of accumulated vacation leave and the salary-related payments at year-end are not expected to be materially liquidated with expendable available financial resources and as such are reported as a noncurrent liability. The liability for accumulated vacation leave and the salary-related payments are reported in the City's government-wide and proprietary fund financial statements as an expense and liability of those activities as the benefits accrue to employees. Compensated absences reported in governmental activities are commonly liquidated in the General Fund.

No liability is recognized for accumulated sick leave as the leave is forfeited upon termination. A certain portion of the accumulated sick leave may be used in the determination of length of service for retirement benefit purposes. This involves no obligation of the City and, therefore, no accrual has been made.

Net Assets/Fund Balances

Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

State law (G. S. 159-13 (b) (16)) restricts the appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and inventories, which is not available for appropriation under State law [G.S. 159-8 (a)]. This amount is usually comprised of accounts receivable and interfund receivables which have not been offset by deferred revenues.

Reserved for inventories - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved for notes receivable - represents the portion of fund balance not available for appropriation because it represents the amount of notes receivable owed to the City.

Reserved for financing agreement – portion of the fund balance available to pay principal and interest payments on certain financing agreements or assets that are otherwise restricted by financing agreements.

Designated for subsequent year's expenditures – Powell Bill – portion of Powell Bill reserve which has been designated for the adopted 2007-2008 budget ordinance.

Reserved for Powell Bill - portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for subsequent year's expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Interfund Transfers

Interfund transfers from the enterprise funds to the General Fund are made primarily to reimburse the General Fund for overhead expenses. The principal purpose of transfers between governmental funds is to provide the required local match for certain federal and State grants. In addition, the City may have immaterial transfers between the General Fund and certain of its special revenue funds when grant closures occur.

2. Deposits and Investments

Deposits

All deposits of the City are made in board-designated official depositories and are collateralized as required by State statute. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the City's deposits are made by using the "pooling method". Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure the exact amount of collateral under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2007, the City's deposits had a carrying amount of \$16,523,383 and a bank balance of approximately \$18,077,087. Of the bank balance, \$300,000 was covered by federal depository insurance and \$17,777,087 in interest-bearing deposits was covered by collateral held under the Pooling Method. The carrying amount of the deposits for the City of Rocky Mount Theatre, LLC was \$172,497 and the bank balance was the same.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Investments

State statute authorizes the City to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC-registered mutual fund. Investments are stated at fair value.

At June 30, 2007, the City of Rocky Mount had \$24,656,108 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust	\$ 24,656,108	\$ 24,656,108	N/A

Total cash and investments of \$41,186,191 reported by the City includes cash on hand of \$6,700 and \$455,030 held by the City in agency funds.

At June 30, 2007, the City had \$1,674,330 in escrow accounts because the amount was restricted as to use. The deposits are to be used to purchase equipment under installment purchase agreements. The City had \$809,198 restricted for use in the internal service fund.

Interest Rate Risk. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City has a formal investment policy that limits investment maturities to a maximum of 36 months.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

3. Accounts Receivable and Allowances for Doubtful Accounts

Allowance for Doubtful Accounts

The receivables shown in the Balance Sheet and the Statement of Net Assets at June 30, 2007, are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2007</u>
Governmental Activities:	
Ad valorem taxes	\$ 894,250
Miscellaneous	250,000
Customers	<u>77,734</u>
Total governmental activities	<u>1,221,984</u>
Business-Type Activities:	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	<u>41,356</u>
Total business-type activities	<u>2,186,524</u>
 Total allowances for doubtful accounts	 <u>\$ 3,408,508</u>

Accounts Receivable

At June 30, 2007, funds due from other governmental agencies consisted of the following:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Sales tax refund	\$ 963,688	\$ -	\$ 963,688
Vehicle fee	184,689	-	184,689
Local option	1,693,624	-	1,693,624
Grants receivable	55,135	818,662	873,797
Library receivable	-	1,029,722	1,029,722
Miscellaneous receivable	<u>254,227</u>	<u>-</u>	<u>254,227</u>
	<u>\$ 3,151,363</u>	<u>\$ 1,848,384</u>	<u>\$ 4,999,747</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2007 was as follows:

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,169,329	\$ 52,243	\$ 982	\$ -	\$ 6,220,590
Construction in progress	9,136,554	206,625	-	(9,098,746)	244,433
Total capital assets not being depreciated	<u>15,305,883</u>	<u>258,868</u>	<u>982</u>	<u>(9,098,746)</u>	<u>6,465,023</u>
Capital Assets Being Depreciated:					
Land improvements	8,381,681	959,072	30,457	8,894,714	18,205,010
Buildings	48,057,977	757,668	20,000	25,875	48,821,520
Equipment	33,855,764	2,425,837	871,384	344,623	35,754,840
Infrastructure	39,750,462	881,817	-	178,156	40,810,435
Total capital assets being depreciated	<u>130,045,884</u>	<u>5,024,394</u>	<u>921,841</u>	<u>9,443,368</u>	<u>143,591,805</u>
Less Accumulated Depreciation for:					
Land improvements	1,728,784	885,145	27,217	-	2,586,712
Buildings	9,581,312	769,667	12,187	-	10,338,792
Equipment	24,896,264	1,960,920	816,690	344,593	26,385,087
Infrastructure	9,160,992	566,281	-	-	9,727,273
Airport	4,095,181	236,787	-	-	4,331,968
Total accumulated depreciation	<u>49,462,533</u>	<u>\$ 4,418,800</u>	<u>\$ 856,094</u>	<u>\$ 344,593</u>	<u>53,369,832</u>
Total capital assets being depreciated, net	<u>80,583,351</u>				<u>90,221,973</u>
Governmental activity capital assets, net	<u>\$ 95,889,234</u>				<u>\$ 96,686,996</u>

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

General government	\$ 1,091,703
Public works	1,005,602
Public safety	771,198
Transit	350,025
Planning	43,683
Recreation	<u>1,156,589</u>
Total	<u>\$ 4,418,800</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Capital asset activity for the business-type activities for the year ended June 30, 2007 was as follows:

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Electric Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 112,441	\$ -	\$ -	\$ -	\$ 112,441
Construction in progress	850,684	-	-	(850,684)	-
Total capital assets not being depreciated	<u>963,125</u>	<u>-</u>	<u>-</u>	<u>(850,684)</u>	<u>112,441</u>
Capital Assets Being Depreciated:					
Land improvements	404,303	-	-	-	404,303
Buildings	6,095,423	317,374	-	670,695	7,083,492
Equipment	34,859,252	918,964	(15,792)	(15,917)	35,746,507
Infrastructure	19,726,660	129,325	-	180,021	20,036,006
Total capital assets being depreciated	<u>61,085,638</u>	<u>1,365,663</u>	<u>(15,792)</u>	<u>834,799</u>	<u>63,270,308</u>
Less Accumulated Depreciation For:					
Land improvements	150,335	14,593	-	-	164,928
Buildings	4,254,441	141,588	-	-	4,396,029
Equipment	26,628,484	940,703	(15,792)	(15,885)	27,537,510
Infrastructure	4,428,888	412,727	-	-	4,841,615
Total accumulated depreciation	<u>35,462,148</u>	<u>1,509,611</u>	<u>(15,792)</u>	<u>(15,885)</u>	<u>36,940,082</u>
Total capital assets being depreciated, net	<u>25,623,490</u>	<u>(143,948)</u>	<u>-</u>	<u>850,684</u>	<u>26,330,226</u>
Electric Fund capital assets, net	<u>\$ 26,586,615</u>	<u>\$ (143,948)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,442,667</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Gas Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 8,727	\$ -	\$ -	\$ -	\$ 8,727
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>8,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,727</u>
Capital Assets Being Depreciated:					
Buildings	270,042	-	-	-	270,042
Equipment	5,617,601	481,229	(12,383)	(108,170)	5,978,277
Infrastructure	6,332,425	423,550	-	-	6,755,975
Total capital assets being depreciated	<u>12,220,068</u>	<u>904,779</u>	<u>(12,383)</u>	<u>(108,170)</u>	<u>13,004,294</u>
Less Accumulated Depreciation For:					
Buildings	83,648	5,073	-	-	88,721
Equipment	3,321,574	138,806	(10,943)	(108,170)	3,341,267
Infrastructure	652,778	83,860	-	-	736,638
Total accumulated depreciation	<u>4,058,000</u>	<u>227,739</u>	<u>(10,943)</u>	<u>(108,170)</u>	<u>4,166,626</u>
Total capital assets being depreciated, net	<u>8,162,068</u>	<u>677,040</u>	<u>(1,440)</u>	<u>-</u>	<u>8,837,668</u>
Gas Fund capital assets, net	<u>\$ 8,170,795</u>	<u>\$ 677,040</u>	<u>\$ (1,440)</u>	<u>\$ -</u>	<u>\$ 8,846,395</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Water Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 805,580	\$ -	\$ -	\$ -	\$ 805,580
Construction in progress	616,139	-	-	(616,139)	-
Total capital assets not being depreciated	<u>1,421,719</u>	<u>-</u>	<u>-</u>	<u>(616,139)</u>	<u>805,580</u>
Capital Assets Being Depreciated:					
Land improvements	9,095,375	-	-	-	9,095,375
Buildings	12,045,197	-	-	-	12,045,197
Equipment	5,334,821	259,808	-	(101,022)	5,493,607
Infrastructure	22,391,930	1,924,681	-	616,139	24,932,750
Total capital assets being depreciated	<u>48,867,323</u>	<u>2,184,489</u>	<u>-</u>	<u>515,117</u>	<u>51,566,929</u>
Less Accumulated Depreciation For:					
Land improvements	5,049,184	438,103	-	-	5,487,287
Buildings	4,343,840	244,431	-	-	4,588,271
Equipment	4,448,023	195,468	-	(101,022)	4,542,469
Infrastructure	6,688,518	311,156	-	-	6,999,674
Total accumulated depreciation	<u>20,529,565</u>	<u>1,189,158</u>	<u>-</u>	<u>(101,022)</u>	<u>21,617,701</u>
Total capital assets being depreciated, net	<u>28,337,758</u>	<u>995,331</u>	<u>-</u>	<u>616,139</u>	<u>29,949,228</u>
Water Fund capital assets, net	<u>\$ 29,759,477</u>	<u>\$ 995,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,754,808</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Sewer Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 91,651	\$ -	\$ -	\$ -	\$ 91,651
Construction in progress	<u>1,539,680</u>	<u>3,961,400</u>	<u>-</u>	<u>(996,408)</u>	<u>4,504,672</u>
Total capital assets not being depreciated	<u>1,631,331</u>	<u>3,961,400</u>	<u>-</u>	<u>(996,408)</u>	<u>4,596,323</u>
Capital Assets Being Depreciated:					
Land improvements	2,194,447	-	-	-	2,194,447
Buildings	41,916,174	97,274	-	871,632	42,885,080
Equipment	15,824,987	274,624	(43,883)	(41,696)	16,014,032
Infrastructure	<u>25,493,342</u>	<u>145,538</u>	<u>-</u>	<u>124,776</u>	<u>25,763,656</u>
Total capital assets being depreciated	<u>85,428,950</u>	<u>517,436</u>	<u>(43,883)</u>	<u>954,712</u>	<u>86,857,215</u>
Less Accumulated Depreciation For:					
Land improvements	2,090,748	21,046	-	-	2,111,794
Buildings	12,072,113	755,441	-	-	12,827,554
Equipment	12,480,084	335,509	(43,883)	(41,696)	12,730,014
Infrastructure	<u>6,970,299</u>	<u>341,525</u>	<u>-</u>	<u>-</u>	<u>7,311,824</u>
Total accumulated depreciation	<u>33,613,244</u>	<u>1,453,521</u>	<u>(43,883)</u>	<u>(41,696)</u>	<u>34,981,186</u>
Total capital assets being depreciated, net	<u>51,815,706</u>	<u>(936,085)</u>	<u>-</u>	<u>996,408</u>	<u>51,876,029</u>
Sewer Fund capital assets, net	<u>\$ 53,447,037</u>	<u>\$ 3,025,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,472,352</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>June 30, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2007</u>
Storm Water Management Fund:					
Capital Assets Not Being Depreciated:					
Construction in progress	\$ 40,223	\$ 60,407	\$ -	\$ -	\$ 100,630
Total capital assets not being depreciated	<u>40,223</u>	<u>60,407</u>	<u>-</u>	<u>-</u>	<u>100,630</u>
Capital Assets Being Depreciated:					
Land improvements	-	17,300			17,300
Equipment	2,120,254	308,914	-	(77,819)	2,351,349
Infrastructure	354,373	58,753	-	-	413,126
Total capital assets being depreciated	<u>2,474,627</u>	<u>384,967</u>	<u>-</u>	<u>(77,819)</u>	<u>2,781,775</u>
Less Accumulated Depreciation For:					
Land improvements	-	115			115
Equipment	1,330,926	173,327	-	(77,819)	1,426,434
Infrastructure	11,518	4,749	-	-	16,267
Total accumulated depreciation	<u>1,342,444</u>	<u>178,191</u>	<u>-</u>	<u>(77,819)</u>	<u>1,442,816</u>
Total capital assets being depreciated, net	<u>1,132,183</u>	<u>206,776</u>	<u>-</u>	<u>-</u>	<u>1,338,959</u>
Total Storm Water Management Fund Capital Assets, net	<u>\$ 1,172,406</u>	<u>\$ 267,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,439,589</u>

Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2006 was as follows:

	<u>December 31, 2005</u>	<u>Increases</u>	<u>Retirements</u>	<u>December 31, 2006</u>
Governmental Activities:				
Capital assets	<u>\$ 9,024,929</u>	<u>\$ 580,993</u>	<u>\$ 210,590</u>	<u>\$ 9,395,332</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2007 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts and vouchers	\$ 610,612	\$ 7,328,403	\$ 7,939,015
Claims incurred but not reported	527,722	152,367	680,089
Accrued payroll and related liabilities	1,509,994	513,168	2,023,162
Customer deposits	395,500	3,767,758	4,163,258
Accrued interest payable	<u>-</u>	<u>110,664</u>	<u>110,664</u>
 Total accounts payable and accrued liabilities	 <u>\$ 3,043,828</u>	 <u>\$ 11,872,360</u>	 <u>\$ 14,916,188</u>

6. Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. The City contributes to the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report ("CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.90% and 4.78%, respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2007, 2006 and 2005 were \$1,666,032, \$1,611,437, and \$1,538,011 respectively.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Law Enforcement Officers Special Separation Allowance

Plan Description. The City administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A stand-alone financial report is not issued for this plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

Retirees receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	144
Total	<u>163</u>

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions. The City is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the fiscal year ended June 30, 2007 was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-employment benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 226,351
Interest on net pension obligation	44,532
Adjustment to annual required contribution	<u>(36,169)</u>
Annual pension cost	234,714
Contributions made	<u>245,621</u>
Increase in net pension obligation	(10,907)
Net pension obligation beginning of year	<u>614,232</u>
Net pension obligation end of year	<u>\$ 603,325</u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of of APC Contributed	Net Pension Obligation
6/30/05	\$ 225,860	72.12%	\$ 593,056
6/30/06	236,507	91.05%	614,232
6/30/07	234,714	104.65%	603,325

Supplemental Retirement Income Plan

Plan Description. All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All amounts contributed are vested immediately. Also, all employees may make voluntary contributions to the plan. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions has been assigned to the North Carolina General Assembly.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Funding Policy. Article 12E of G. S. Chapter 143 requires the City to contribute each month an amount equal to 5% of covered payroll for law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 4% of the employees' salary.

The City's contributions were calculated using a covered payroll amount of \$5,969,700 for employees engaged in law enforcement and \$25,410,025 for all other full-time employees. Total contributions for the year ended June 30, 2007 were \$1,314,886, which consisted of \$298,485 for employees engaged in law enforcement and \$1,016,401 for all other employees. Voluntary contributions made by all City employees totaled \$706,418.

Fireman's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City, to the Firemen's and Rescue Squad Workers' Pension Fund ("Fund"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the Fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen's and Rescue Squad Worker's Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$12,636 in payments made to the Fund by the State on-behalf of the City for the year ended June 30, 2007.

Other Post-Employment Benefits

The City (by local ordinance) provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following criteria. The retiree must have at least five years of creditable service with the City and the retirement must be due to a medical condition, which is subject to review by the North Carolina Medical Review Board. In addition, the City pays the full cost of coverage for these benefits for retirees with a minimum of thirty years of creditable service with the City. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the City for eighteen months. The entire cost of this insurance is borne by the retirees. Currently, 195 retirees are eligible for post-retirement health benefits. For the year ended June 30, 2007, the City made payments for post-retirement health benefits premiums of \$650,000. The City maintains health care coverage through a combination of self-insurance and private insurers (see Risk Management Note).

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2007, the City made contributions to the State for death benefits of \$36,023. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.10% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time City employees after one year of service, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City also provides a 457 plan to a limited number of employees.

The City contributed a total of \$1,314,886 to the plans for the year ended June 30, 2007.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$205,076 for the year ended June 30, 2007. The City leases computer equipment and property under noncancelable operating leases. The future minimum lease payments under these agreements are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2008	\$ 990,737
2009	950,117
2010	901,070
2011	850,000
2012	850,000
2013-2017	4,250,000
2018-2022	4,250,000
2023-2024	1,700,000
	<u>\$ 14,741,924</u>

8. Deferred/Unearned Revenues

The balance in deferred revenues in the governmental fund financial statements and unearned revenues in the government-wide financial at year-end is composed of the following elements:

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable (General Fund)	\$ 1,487,015	\$ -
Accounts receivable (General Fund)	1,506,138	-
Notes receivable (General Fund)	1,259,173	1,259,173
Accounts receivable (other governmental funds)	46,451	-
Prepaid items (General Fund)	299,339	299,339
Total	<u>\$ 4,598,116</u>	<u>\$ 1,558,512</u>

9. Commitments

Construction

The City had outstanding commitments at June 30, 2007 of approximately \$172,767 for water improvements, \$194,690 for sewer pump upgrades, and \$66,134 for sewer digester jet aeration project. A portion of these improvements are being financed with installment notes and a revolving loan.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Purchases

The City participates in the North Carolina Eastern Municipal Power Agency ("Agency"). Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set rates at a level such that sufficient electrical revenue is generated to meet obligations to the Agency. The Agency furnishes power to the City by purchasing an undivided interest in some of Progress Energy's generating capacity and by contracting with Progress Energy to furnish all of the Agency's requirements. Under the terms of the agreement with the Agency, the City is obligated to pay a proportionate share of the Agency's obligation to Progress Energy for the purpose of generating capacity whether or not the generator produces power. This is commonly referred to as a "take or pay" contract in the electric industry.

10. Risk Management

The City 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 City protects itself from potential loss through a combination of purchases of commercial insurance for primary and/or excess coverage and self-insured retention.

The City is self-insured for workers' compensation benefits, employers' liability, general liability, public officials/errors and omissions liability, law enforcement liability, direct damage, sexual misconduct and City vehicle damage. The Workers' Compensation Plan is administered by the City's Human Resources Department with assistance from a risk management consultant. All other insurance claims are administered by a third party administrator with the exception of claims below \$10,000 which are handled by the City. The City has purchased insurance to cover individual claims exceeding the following amounts:

<u>Line of coverage</u>	<u>City's Net Retention</u>
Workers' compensation and employers' liability	\$ 500,000
Property damage	100,000
General liability, public officials/errors and omissions liability, law enforcement liability, and flood and earthquake	300,000
Auto liability and physical damage	25,000

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

In addition, the City maintains insurance coverage for excess direct damage and umbrella liability. The City has not had a significant reduction in insurance coverage as compared to prior year coverage for any categories of risk. Also, the City has not had any settlements exceeding insurance coverage for any of the past three fiscal years.

The City carries flood insurance subject to a limit of \$500,000 per building and \$500,000 for contents.

The City currently reports its risk management activities and insurance costs in the operating funds to which such expenses apply. Claims expenditures falling within the retention coverage's are generally reported when amounts are paid or, in the event of significant losses, when such amounts are probable and the amounts can be determined. The City has recorded an accrual totaling \$680,089 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$654,646 and the remaining \$25,443 relates to property, general and automobile liability.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000 and tax collector is bonded for \$50,000.

Changes in the reported liability for possible claims and judgments during fiscal years 2007 and 2006 are summarized as follows:

<u>Possible Claims and Judgments</u>	<u>2007</u>	<u>2006</u>
Balance, beginning	\$ 309,643	\$ 126,231
Current year claims and changes in estimates	802,442	680,465
Claim Payments	<u>(431,996)</u>	<u>(497,053)</u>
Balance, ending	<u>\$ 680,089</u>	<u>\$ 309,643</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2007 consist of the following:

Long Term Debt:

	Serviced By	
	Governmental Activities	Business-Type Activities
General Obligation Bonds:		
Refunding series; issued in 1998; due in annual installments of \$1,585,000 to \$2,060,000; maturing through 2010; interest at 4.25% to 5.0 %	\$ -	\$ 5,535,000
Deferred amount on refunding	-	(136,590)
Total general obligation bonds	-	5,398,410
 Installment Purchases:		
Building; due in monthly installments of \$85,989; maturing June 2019; interest at 4.16%	9,734,787	-
Library; due in monthly installments of \$51,342 plus interest; maturing May 2010; interest at 3.66%	1,796,959	-
Equipment; due in monthly installments of \$19,321; maturing May 2008, interest at 1.99%	55,980	17,685
Equipment; due in monthly installments of \$21,019; maturing May 2010, interest at 1.99%	318,347	362,854
Equipment; due in monthly installments of \$68,663; maturing June, 2015, interest at 3.21%	329,917	5,476,610
Equipment; due in monthly installments of \$29,707; maturing June, 2009, interest at 3.75%	492,323	193,534
Equipment; due in monthly installments of \$26,337; maturing May 2011, interest at 3.78%	-	1,148,886
Equipment; due in monthly installments of \$45,405; maturing June 2010, interest at 3.48%	1,032,000	518,000

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Long-Term Debt (Continued):

	Serviced by	
	Governmental Activities	Business-Type Activities
Building; due in semi-annual installments of \$100,000; maturing April, 2017.	1,500,000	-
Total installment purchases	15,260,314	7,717,567
Other Long Term Debt:		
Unfunded Special Separation Allowance	603,325	-
Other	24,900	4,253,611
Total other long-term debt	628,225	4,253,611
Total outstanding	15,888,539	17,369,588
Less current portion	2,255,811	3,151,699
	\$ 13,632,728	\$ 14,217,889

Long-term debt categorized as “other” consists of various obligations due to the North Carolina Department of Transportation for reimbursement of road improvement and construction which are typically liquidated by the General Fund. Long-term debt categorized as “other” in the business-type activities includes two federal revolving loans.

Revolving loan due in annual payments of \$29,776; maturing May 1, 2025, interest at 2.205%	\$ 535,975
Revolving loan due in annual payments of \$234,105; maturing March 1, 2028, interest at 2.305%	3,717,636
	\$ 4,253,611

The unfunded special separation allowance and compensated absences are typically liquidated by the General Fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Changes in Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2007:

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2007</u>	<u>Due Within One Year</u>
Governmental Activities:					
Intstallment purchases	\$ 14,828,601	\$ 3,032,000	\$ 2,600,287	\$ 15,260,314	\$ 2,230,911
Unfunded Special					
Separation Allowance	614,232	234,714	245,621	603,325	-
Other	90,112	24,900	90,112	24,900	24,900
Compensated absences	2,723,937	1,798,167	1,515,300	3,006,804	1,515,300
Total	<u>\$ 18,256,882</u>	<u>\$ 5,089,781</u>	<u>\$ 4,451,320</u>	<u>\$ 18,895,343</u>	<u>\$ 3,771,111</u>
Business-Type Activities:					
General obligation bonds	\$ 7,190,033	\$ -	\$ 1,791,623	\$ 5,398,410	\$ 1,829,470
Installment purchases	8,987,479	518,000	1,787,912	7,717,567	1,292,453
Other	1,194,328	3,089,059	29,776	4,253,611	29,776
Compensated absences	593,475	442,812	404,526	631,761	404,526
Total	<u>\$ 17,965,315</u>	<u>\$ 4,049,871</u>	<u>\$ 4,013,837</u>	<u>\$ 18,001,349</u>	<u>\$ 3,556,225</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Maturities of Long-Term Debt

The annual requirements to retire all debt outstanding, other than the accrual for possible claims and judgments, unfunded special separation allowance and other long-term debt at June 30, 2007 including interest, are as follows:

	<u>Bond Obligation</u>		<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities:						
2008	\$ -	\$ -	\$ 2,230,911	\$ 513,420	\$ 24,900	\$ -
2009	-	-	2,227,299	436,372	-	-
2010	-	-	1,950,738	414,935	-	-
2011	-	-	964,249	314,436	-	-
2012	-	-	996,257	282,427	-	-
2013-2017	-	-	4,913,924	885,873	-	-
2018-2019	-	-	1,976,936	86,804	-	-
Total governmental activities	-	-	15,260,314	2,934,267	24,900	-
Business-Type Activities:						
2008	\$ 1,875,000	\$ 267,375	\$ 1,292,453	\$ 236,289	\$ 29,776	\$ 11,818
2009	1,845,000	183,000	1,318,728	192,027	178,190	96,854
2010	1,815,000	90,750	1,236,576	148,317	181,611	92,777
2011	-	-	956,182	110,668	185,110	88,619
2012	-	-	693,764	83,380	188,691	84,382
2013-2017	-	-	2,219,864	111,566	1,000,117	355,400
2018-2022	-	-	-	-	1,102,849	236,252
2023-2027	-	-	-	-	1,158,436	105,365
2028	-	-	-	-	228,831	5,275
Total business-type activities	5,535,000	541,125	7,717,567	882,247	4,253,611	1,076,742
Less refunding	(136,590)	-	-	-	-	-
Total	<u>\$ 5,398,410</u>	<u>\$ 541,125</u>	<u>\$ 22,977,881</u>	<u>\$ 3,816,514</u>	<u>\$ 4,278,511</u>	<u>\$ 1,076,742</u>

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt (exclusive of certain enterprise bonds) the City may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2007 the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$250,174,816.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rollin Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2007, the Rolling Meadows Apartments – Series 2006 is the only revenue bond outstanding, with an aggregate principal amount payable of \$4,800,000.

12. Interfund Balances and Activity

Due To/From Other Funds

The composition of interfund balances as of June 30, 2007 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>
<u>Nonmajor Governmental</u>	<u>General</u>
Public Transportation	\$ 384,989
Occupancy Tax	58,162
General Capital	117,697
	<u>\$ 560,848</u>

Amounts due to the General Fund from the nonmajor governmental funds represents \$560,848 cash advances to cover expenses in the special revenue and capital project funds.

Transfers To/From Other Funds

	<u>Transfer In</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
<u>Transfer Out</u>				
General Fund	\$ -	\$ 723,100	\$ 510,000	\$ 1,233,100
Nonmajor Governmental Funds	556,299	70,063	-	626,362
Electric Fund	1,250,000	200,000	-	1,450,000
Gas Fund	900,000	-	-	900,000
Sewer Fund	-	22,445	-	22,445
Water Fund	350,000	-	-	350,000
Total	<u>\$ 3,056,299</u>	<u>\$ 1,015,608</u>	<u>\$ 510,000</u>	<u>\$ 4,581,907</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

General Fund and nonmajor governmental fund transfers are used to move unrestricted fund revenues to support various programs that the government must account for in other funds in accordance with budgetary authorizations. The transfer between nonmajor governmental funds was to match grant funds for downtown enhancements.

Electric, Gas, and Water Fund transfers are transfers which represent a return on the investment of the utility. These transfers are made within guidelines established in the City's administrative policy. Currently, the Electric Fund may transfer a maximum of 3% of the fund's gross fixed assets; the Gas Fund may transfer a maximum of 75% of the fund's income before transfers; and the Water Fund may transfer a maximum of 50% of income before transfers.

13. **Jointly Governed Organizations**

The City, participates in two jointly governed organizations with other entities as follows:

Braswell Memorial Library

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve member board of trustees of the library. The City appoints three of the twelve board members. The City contributed \$587,000 to the library's operating purposes during the year ended June 30, 2007.

North Carolina Eastern Municipal Power Agency

On September 28, 1981, the City Council adopted an ordinance authorizing the City's participation in the North Carolina Eastern Municipal Power Agency (the "Agency") and, as such, is a part owner in several electrical generating plants operated by Carolina Power and Light Company ("CP&L").

Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set electrical utility rates at a level such that sufficient electrical revenues are generated to meet the obligations to the Agency. The Agency furnishes power to the City and the 31 other North Carolina municipalities participating in the Agency through its ownership of a portion of CP&L's generating capacity, together with additional purchases of power and energy as needed to meet the "all requirements" needs of the 32 municipalities. The City's share of the power and energy from the initial Project is 16.026%. Under the terms of the agreement with the Agency, the City is obligated to pay such proportionate share of the Agency's Initial Project, whether the generators produce power or not. This is commonly referred to as a "take or pay" contract in the utility industry. This agreement expires on the later of (i) January 1, 2032 or (ii) the date upon which the last generating unit of the Initial Project is retired.

To finance its ownership interest in the Initial Project, the Agency issued bonds. At December 31, 2006, \$2,770,090,000 of the bonds were outstanding (net of unamortized discount of \$14,520,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

Also, on December 9, 1991, the City Council authorized the City to enter into a subsequent agreement with the Agency, whereby the Agency would construct, own and operate three combustion turbine plants totaling up to 240 megawatts (the "Peaking Project"). This agreement is also considered a "take or pay" contract and was entered into by 27 of the 32 municipalities that entered into the Initial Project. The City is obligated to pay 14.4093% of the Agency's costs of the Peaking Project and is entitled to a like percentage of energy and power from the project.

As needed, the City purchases electrical power from the Southeastern Power Administration in addition to electrical purchase from the Agency.

14. Joint Ventures

Rocky Mount-Wilson Airport Authority

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven member board of commissioners of the Authority. The City appoints two of the seven board members. The City has an ongoing financial responsibility for the airport and contributed \$85,429 to the Authority for operating purposes and capital outlay during the year ended June 30, 2007. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,967,758 (cost of \$12,299,726 less accumulated depreciation of \$4,331,968) has been reflected in the City's statement of net assets as capital assets at June 30, 2007. The current year increase in the investment of \$416,290 is included in general governmental revenues in the statement of activities net of the City's contributions to the Authority during the year ended June 30, 2007. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

15. Related Organization

Rocky Mount Housing Authority

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low-income families who cannot afford private housing. The mayor of the City appoints the entire board of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2007, this payment totaled \$26,318.

16. Utility Service Fees

The General Fund charges the enterprise funds a utility service fee to reimburse the General Fund for overhead expenses which are not specifically identified with the utility operations. Utility service fees totaling \$8,489,160 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General Fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

The Electric Fund charges all City departments a telephone fee based on usage to reimburse the Electric Fund for services, maintenance and debt associated with the telephone system. Telephone fees totaling \$474,470 are recorded as operating expense in each City department and as a reduction of operating expenses in the Electric Fund.

17. Stewardship, Compliance and Accountability

Federal and State Funds

The City participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2007, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of OMB Circular A-133 and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

18. Significant Contingencies

Environmental Concerns

In 1984, the City sold two tracts of real estate, totaling approximately 105 acres, which for many years had been used as the Rocky Mount Municipal Airport. Subsequent to June 30, 1999, the City reacquired the real estate. The airport was closed in the late 1970's following the construction of the Rocky Mount-Wilson Airport. In the latter part of 1987, several highway construction workers became ill during the widening of a highway adjacent to the property. An investigation revealed the presence of hazardous waste on the property concentrated in an area close to the highway and in smaller amounts on other portions of the property. The most likely source of the chemicals is considered to be a crop dusting business that flew out of the airport during the 1970's, and which is thought to have emptied left-over pesticide in the area where the hazardous waste was discovered.

The City and prior owner have agreed to split the cost to clean up the waste and are seeking legal action against the crop duster. Under State and federal law, all owners of property, present and past, on which hazardous waste is discovered are jointly and severally liable for the clean-up cost, regardless of who created, caused, or contributed to the hazardous condition if it existed on the property during their period of ownership. Clean up of the hazardous waste has commenced and, to date, the City has paid \$3,740,417 of the clean-up costs. Remediation costs have been completed. The City will continue to pay fees on the site area for monitoring purposes.

Appropriation to School System

During fiscal year 1991-1992, the North Carolina General Assembly enacted legislation to provide for the merger and consolidation of the School Administrative Units in Nash County and the City of Rocky Mount. The legislation created the "Nash-Rocky Mount Board of Education" (the "Board") and became effective on July 1, 1992.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

The Board was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$1,193,133 for the year ended June 30, 2007.

Litigation Matters

The City is a defendant in various other claims and litigation arising in the normal course of operations. In the opinion of management, resolution of these matters will not result in a material adverse effect on the City's financial position.

19. Discretely Presented Component Unit

The following significant component unit information and accounting policies are disclosed to allow for fair presentation and to supplement the financial data included in the combined financial statements.

Deposits

The Theatre's deposit information is disclosed in Note 2.

Capital Assets

The Theatre's capital assets are disclosed in Note 4.

Pledged Assets and Long-Term Debt

Long-term debt at December 31, 2006 and collateral pledged thereon consists of the following:

Note payable to bank ("A Note"), interest due monthly at 0.5%, principal and interest payments commence on July 2012, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2006 was \$6,499,000.

Note payable to bank ("B Note"), interest accrues at 1.0% and payments commence July 2012, principal payments commence July 2015, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2006 was \$1,801,863.

The City has placed escrow funds totaling \$6,499,000 in a cash collateral account owned by the Rocky Mount Business Development Authority ("BDA") and collateralized by the lender. At the end of seven years, the BDA has the right to use the cash collateral account to pay Note A in full.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

20. Related Party Transactions

The Theatre entered into a lease agreement dated January 11, 2005, with the City. Under the agreement, the Theatre will receive \$70,000 annually for seven years commencing December 31, 2005. After the initial seven years, the rent increases to \$300,000 annually through 2044. The City is responsible for all repairs and maintenance, insurance, and operating costs. The lease is a nonappropriation lease whereby the City has the power to decide not to appropriate funds to pay the lease payments. No funds were appropriated during the year for lease payments.

The Theatre entered into a Paying Agent Agreement with the City whereby the City acts as the paying agent for the Theatre under all contracts related to the construction and equipping of the Theatre. The agreement requires the Theatre to provide the City with a copy of each invoice to be paid in addition to transferring funds to the City in the amount of the invoice(s) to be paid. The City then makes the payment of each invoice for no charge except reimbursement for any out of pocket costs incurred. All disbursed funds for the year were paid by the City under the Paying Agent Agreement.

21. Powell Bill Grant Fund

In order to meet the requirements of comparability and uniform presentation throughout the State of North Carolina the City has reported the operations of the Powell Bill Grant Fund, previously reported as a nonmajor special revenue fund, in the General Fund. Certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

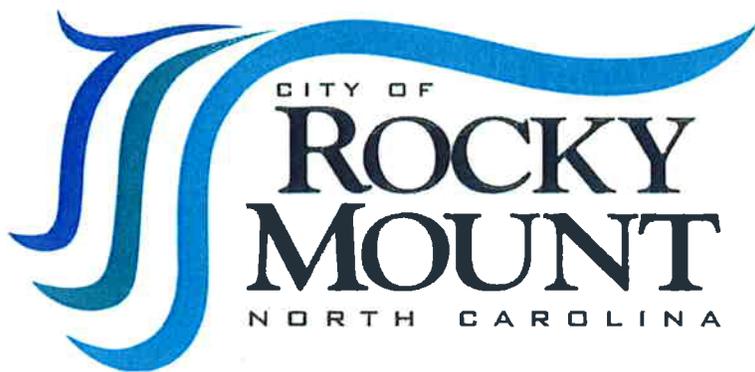
22. Prior Period Adjustment

Beginning net assets of the governmental activities have been restated by \$2,176,893 to account for a prior period adjustment resulting from the understatement of notes payable and claims incurred but not reported for the City's workers' compensation plan. Beginning net assets of the business-type activities have been restated by \$115,084 for a prior period adjustment relating to the consolidation of the internal service fund.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains information required by generally accepted accounting principles.



CITY OF ROCKY MOUNT, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2007

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		B	B				
12/31/01	-	\$	1,619,495	\$ 1,619,495	0.00%	\$ 4,829,736	33.53%
12/31/02	-		1,818,091	1,818,091	0.00%	5,079,552	35.79%
12/31/03	-		2,090,613	2,090,613	0.00%	5,329,225	39.23%
12/31/04	-		2,205,545	2,205,545	0.00%	5,219,243	42.26%
12/31/05	-		2,187,659	2,187,659	0.00%	6,024,089	36.32%
12/31/06	-		2,501,361	2,501,361	0.00%	5,783,996	43.25%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1996	\$ 63,026	83.08%
1997	63,026	83.06%
1998	99,165	51.83%
1999	107,827	58.68%
2000	126,352	58.80%
2001	128,405	46.29%
2002	151,339	54.54%
2003	176,638	60.23%
2004	198,195	76.92%
2005	217,166	75.00%
2006	227,572	94.62%
2007	226,351	108.51%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.
Additional information as of the latest valuation follows:

Valuation date	12/31/2006	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	24 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	4.5 - 12.3%	
Cost of living adjustments	N/A	



MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is established to account for the revenues and expenditures traditionally associated with operating governmental service functions, except for those resources required to be accounted for in another fund.



CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 17,065,000	\$ 16,875,735	\$ (189,265)
Prior years	330,000	421,523	91,523
Penalties and interest	<u>160,000</u>	<u>192,441</u>	<u>32,441</u>
Total	<u>17,555,000</u>	<u>17,489,699</u>	<u>(65,301)</u>
Intergovernmental Revenues:			
Payment in lieu of taxes	1,180,500	1,171,818	(8,682)
Local option sales tax	8,987,000	9,114,178	127,178
Telecommunications tax	600,000	892,825	292,825
Franchise tax	2,319,300	2,257,232	(62,068)
Tax refunds	35,000	33,396	(1,604)
Beer and wine tax	260,000	254,360	(5,640)
ABC revenues	40,000	66,444	26,444
Court facilities fees	187,000	158,187	(28,813)
State grants	2,575,006	1,894,598	(680,408)
On behalf payments - fire	-	12,636	12,636
Other	<u>584,200</u>	<u>768,710</u>	<u>184,510</u>
Total	<u>16,768,006</u>	<u>16,624,384</u>	<u>(143,622)</u>
Licenses, Permits and Other Taxes:			
Privilege licenses	98,000	89,987	(8,013)
Buildings permits and inspection fees	772,000	690,405	(81,595)
Rental vehicle tax	46,000	51,506	5,506
Animal tax	26,000	25,153	(847)
Other	<u>201,000</u>	<u>236,193</u>	<u>35,193</u>
Total	<u>1,143,000</u>	<u>1,093,244</u>	<u>(49,756)</u>
Sales and Service:			
Solid waste and recycling charge	3,272,000	3,157,640	(114,360)
Reconnection charges	280,000	320,410	40,410
Weed control charges	95,000	44,118	(50,882)
Cemetery revenues	170,000	172,966	2,966
Sale of fixed assets	116,000	95,446	(20,554)
Recreation department fee	756,700	537,567	(219,133)
Traffic maintenance charges	200,900	291,224	90,324
Jail fees	-	-	-
Transfer station charges	2,388,000	2,260,304	(127,696)
Concessions	60,650	83,271	22,621
Other	<u>547,200</u>	<u>477,330</u>	<u>(69,870)</u>
Total	<u>7,886,450</u>	<u>7,440,276</u>	<u>(446,174)</u>
Investment Earnings	<u>720,000</u>	<u>1,066,003</u>	<u>346,003</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Miscellaneous:			
Insurance	40,030	44,098	4,068
Demolition assessment	40,000	39,781	(219)
Excess utility tax	400,000	413,633	13,633
Rents	314,200	330,868	16,668
Contributions	60,450	54,164	(6,286)
Parking	9,820	10,507	687
Other	160,105	110,149	(49,956)
Total	<u>1,024,605</u>	<u>1,003,200</u>	<u>(21,405)</u>
Total revenues	<u>45,097,061</u>	<u>44,716,806</u>	<u>(380,255)</u>
Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	66,080	65,438	642
Employee benefits	23,748	23,123	625
Operating expenses	795,506	493,338	302,168
Utility service fee	(183,700)	(183,700)	-
Capital outlay	50,000	19,468	30,532
Total	<u>751,634</u>	<u>417,667</u>	<u>333,967</u>
City Clerk:			
Salaries	168,825	168,823	2
Employee benefits	43,198	43,142	56
Operating expenses	51,220	43,035	8,185
Capital outlay	6,350	6,195	155
Utility service fee	(42,550)	(42,550)	-
Total	<u>227,043</u>	<u>218,645</u>	<u>8,398</u>
Community Services:			
Operating expenses	780,600	772,842	7,758
Utility service fee	(289,200)	(289,200)	-
Capital outlay	701	700	1
Total	<u>492,101</u>	<u>484,342</u>	<u>7,759</u>
City Manager:			
Salaries	531,701	525,143	6,558
Employee benefits	127,130	121,548	5,582
Operating expenses	68,919	58,228	10,691
Utility service fee	(178,400)	(178,400)	-
Capital outlay	5,400	5,378	22
Total	<u>554,750</u>	<u>531,897</u>	<u>22,853</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	Final Budget	Actual	Variance Positive/(Negative)
Public Affairs:			
Salaries	112,644	111,868	776
Employee benefits	32,415	31,441	974
Operating expenses	15,700	8,666	7,034
Capital outlay	14,800	3,712	11,088
Utility service fee	(60,650)	(60,650)	-
Total	114,909	95,037	19,872
Downtown Development:			
Salaries	72,602	72,602	-
Employee benefits	17,043	16,878	165
Operating expenses	77,552	48,325	29,227
Utility service fee	(36,900)	(36,900)	-
Capital outlay	672	671	1
Total	130,969	101,576	29,393
Finance:			
Administration:			
Salaries	198,816	198,816	-
Employee benefits	46,825	46,801	24
Operating expenses	676,457	639,939	36,518
Utility service fee	(834,300)	(834,300)	-
Total	87,798	51,256	36,542
Accounting:			
Salaries	390,640	362,765	27,875
Employee benefits	97,193	89,209	7,984
Operating expenses	44,450	38,529	5,921
Capital outlay	2,000	1,969	31
Utility service fee	(407,500)	(407,500)	-
Total	126,783	84,972	41,811
Purchasing:			
Salaries	294,991	294,991	-
Employee benefits	82,389	81,588	801
Operating expenses	30,464	28,735	1,729
Utility service fee	(320,300)	(320,300)	-
Total	87,544	85,014	2,530
Utility Billing:			
Salaries	1,589,502	1,519,523	69,979
Employee benefits	469,239	412,930	56,309
Operating expenses	472,800	374,762	98,038
Capital outlay	32,126	14,601	17,525
Utility service fee	(2,388,600)	(2,321,816)	(66,784)
Total	175,067	-	175,067

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Information Systems:			
Salaries	485,961	461,237	24,724
Employee benefits	114,349	104,443	9,906
Operating expenses	868,650	673,750	194,900
Capital outlay	844,550	140,715	703,835
Utility service fee	(1,676,100)	(1,380,145)	(295,955)
Total	<u>637,410</u>	<u>-</u>	<u>637,410</u>
Total finance	<u>1,114,602</u>	<u>221,242</u>	<u>893,360</u>
Central Services:			
Municipal Building:			
Salaries	282,259	274,934	7,325
Employee benefits	84,967	79,615	5,352
Operating expenses	589,414	554,770	34,644
Capital outlay	27,574	21,953	5,621
Utility service fee	(534,000)	(534,000)	-
Total	<u>450,214</u>	<u>397,272</u>	<u>52,942</u>
Print Shop:			
Operating expenses	151,662	151,661	1
Utility service fee	(93,000)	(93,000)	-
Total	<u>58,662</u>	<u>58,661</u>	<u>1</u>
Judicial Center:			
Salaries	110,190	104,662	5,528
Employee benefits	28,345	27,849	496
Operating expenses	90,600	85,767	4,833
Capital outlay	5,200	787	4,413
Total	<u>234,335</u>	<u>219,065</u>	<u>15,270</u>
Total central services	<u>743,211</u>	<u>674,998</u>	<u>68,213</u>
Planning and Development:			
Planning Administration:			
Salaries	368,481	307,699	60,782
Employee benefits	92,801	75,977	16,824
Operating expenses	68,800	52,559	16,241
Capital outlay	-	-	-
Total	<u>530,082</u>	<u>436,235</u>	<u>93,847</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	Final Budget	Actual	Variance Positive/(Negative)
Inspections:			
Salaries	437,887	437,886	1
Employee benefits	109,738	109,736	2
Operating expenses	52,650	44,270	8,380
Capital outlay	-	-	-
Total	600,275	591,892	8,383
CDBG Entitlement Grant:			
Salaries	233,593	227,665	5,928
Employee benefits	57,326	57,326	-
Operating expenses	47,609	5,141	42,468
Total	338,528	290,132	48,396
Total planning and development	1,468,885	1,318,259	150,626
Human Resources:			
Salaries	442,925	442,925	-
Employee benefits	665,609	617,503	48,106
Operating expenses	717,770	104,300	613,470
Utility service fee	(494,300)	(494,300)	-
Capital outlay	2,000	1,790	210
Total human resources	1,334,004	672,218	661,786
Human Relations:			
Salaries	254,906	254,906	-
Employee benefits	64,056	63,995	61
Operating expenses	28,729	28,729	-
Utility service fee	(126,600)	(126,600)	-
Capital outlay	5,653	5,389	264
Total human relations	226,744	226,419	325
Total general government	7,158,852	4,962,300	2,196,552
Public Safety:			
Police:			
Administration:			
Salaries	189,895	189,895	-
Employee benefits	316,327	314,705	1,622
Operating expenses	94,029	89,115	4,914
Total	600,251	593,715	6,536
Administrative Services:			
Salaries	679,549	679,549	-
Employee benefits	196,070	185,763	10,307
Operating expenses	105,620	84,693	20,927
Capital outlay	23,000	23,000	-
Total	1,004,239	973,005	31,234

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	Final Budget	Actual	Variance Positive/(Negative)
Staff Services:			
Salaries	1,157,724	1,088,606	69,118
Employee benefits	331,519	305,564	25,955
Operating expenses	340,918	315,911	25,007
Capital outlay	24,100	15,681	8,419
Total	1,854,261	1,725,762	128,499
Field Operations:			
Salaries	4,470,125	4,433,222	36,903
Employee benefits	1,326,126	1,242,664	83,462
Operating expenses	411,286	411,021	265
Capital outlay	269,000	268,683	317
Total	6,476,537	6,355,590	120,947
Investigative Services:			
Salaries	898,924	893,432	5,492
Employee benefits	235,632	231,673	3,959
Operating expenses	58,680	57,845	835
Capital outlay	38,000	37,887	113
Total	1,231,236	1,220,837	10,399
Total police	11,166,524	10,868,909	297,615
Fire:			
Administration:			
Salaries	153,551	151,190	2,361
Employee benefits	86,442	84,292	2,150
Operating expenses	271,579	283,933	(12,354)
Capital outlay	51,600	49,091	2,509
Total	563,172	568,506	(5,334)
Operations:			
Salaries	5,465,911	5,465,594	317
Employee benefits	1,392,137	1,368,769	23,368
Operating expenses	467,250	465,719	1,531
Capital outlay	54,200	53,585	615
Total	7,379,498	7,353,667	25,831
Prevention:			
Salaries	418,461	418,460	1
Employee benefits	91,306	91,305	1
Operating expenses	32,940	31,587	1,353
Capital outlay	15,000	14,736	264
Total	557,707	556,088	1,619

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Training:			
Salaries	262,015	259,197	2,818
Employee benefits	63,595	58,631	4,964
Operating expenses	30,600	27,888	2,712
Capital outlay	38,000	37,177	823
Total	<u>394,210</u>	<u>382,893</u>	<u>11,317</u>
Total fire	<u>8,894,587</u>	<u>8,861,154</u>	<u>33,433</u>
Total public safety	<u>20,061,111</u>	<u>19,730,063</u>	<u>331,048</u>
Public Works:			
Administration:			
Salaries	138,179	138,179	-
Employee benefits	29,491	24,459	5,032
Operating expenses	27,400	27,338	62
Total	<u>195,070</u>	<u>189,976</u>	<u>5,094</u>
Street and Row Maintenance:			
Salaries	677,915	668,019	9,896
Employee benefits	213,851	203,245	10,606
Operating expenses	1,009,362	943,699	65,663
Capital outlay	321,000	305,124	15,876
Service charges	(590,000)	(621,924)	31,924
Total	<u>1,632,128</u>	<u>1,498,163</u>	<u>133,965</u>
Housing Code Enforcement:			
Salaries	359,082	358,310	772
Employee benefits	96,624	96,624	-
Operating expenses	451,496	428,293	23,203
Capital outlay	26,100	26,065	35
Total	<u>933,302</u>	<u>909,292</u>	<u>24,010</u>
Environmental Service:			
Salaries	1,546,153	1,546,058	95
Employee benefits	451,163	438,517	12,646
Operating expenses	3,588,090	3,332,472	255,618
Capital outlay	853,100	462,205	390,895
Total	<u>6,438,506</u>	<u>5,779,252</u>	<u>659,254</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	Final Budget	Actual	Variance Positive/(Negative)
Fleet Maintenance:			
Salaries	754,146	754,146	-
Employee benefits	251,917	247,962	3,955
Operating expenses	1,950,000	1,838,007	111,993
Capital outlay	66,900	16,413	50,487
Service charges	(2,512,600)	(2,545,461)	32,861
Total	510,363	311,067	199,296
Total public works	9,709,369	8,687,750	1,021,619
Engineering:			
Administration:			
Salaries	604,353	576,766	27,587
Employee benefits	157,945	150,961	6,984
Operating expenses	95,999	77,165	18,834
Capital outlay	16,720	16,718	2
Utility service fee	(341,500)	(341,500)	-
Total	533,517	480,110	53,407
Traffic:			
Salaries	496,225	472,481	23,744
Employee benefits	118,231	116,334	1,897
Operating expenses	415,051	333,649	81,402
Capital outlay	9,000	2,671	6,329
Utility service fee	(421,700)	(421,700)	-
Total	616,807	503,435	113,372
Total engineering	1,150,324	983,545	166,779
Parks and Recreation:			
Administration:			
Salaries	225,350	225,350	-
Employee benefits	54,187	50,307	3,880
Operating expenses	62,449	61,014	1,435
Total	341,986	336,671	5,315
Athletics:			
Salaries	338,437	338,436	1
Employee benefits	65,577	65,577	-
Operating expenses	91,605	89,537	2,068
Total	495,619	493,550	2,069
Cultural Arts:			
Salaries	393,160	388,586	4,574
Employee benefits	82,145	76,628	5,517
Operating expenses	227,700	217,381	10,319
Capital outlay	500	-	500
Total	703,505	682,595	20,910

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	Final Budget	Actual	Variance Positive/(Negative)
Amusements and Special Events:			
Salaries	46,300	46,299	1
Employee benefits	14,104	14,104	-
Operating expenses	64,759	64,593	166
Total	125,163	124,996	167
Museum:			
Salaries	262,758	250,886	11,872
Employee benefits	60,904	53,455	7,449
Operating expenses	119,985	116,459	3,526
Capital outlay	-	-	-
Total	443,647	420,800	22,847
Parks Maintenance:			
Salaries	663,698	663,699	(1)
Employee benefits	200,252	199,402	850
Operating expenses	584,420	580,341	4,079
Capital outlay	72,255	72,215	40
Total	1,520,625	1,515,657	4,968
Cemetery Operations:			
Salaries	227,185	227,022	163
Employee benefits	68,976	67,725	1,251
Operating expenses	53,324	53,157	167
Capital outlay	36,062	36,062	-
Total	385,547	383,966	1,581
Outdoor Programs:			
Salaries	178,311	178,310	1
Employee benefits	24,334	24,040	294
Operating expenses	42,772	42,702	70
Capital outlay	1,158	1,158	-
Total	246,575	246,210	365
Neighborhood Programs:			
Salaries	344,678	344,677	1
Employee benefits	66,971	66,280	691
Operating expenses	120,488	120,484	4
Capital outlay	-	-	-
Total	532,137	531,441	696
Senior Programs:			
Salaries	163,181	163,180	1
Employee benefits	36,298	36,298	-
Operating expenses	160,855	159,333	1,522
Capital outlay	18,700	17,891	809
Total	379,034	376,702	2,332

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	2007		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Sports Complex:			
Salaries	74,811	74,811	-
Employee benefits	15,310	15,309	1
Operating expenses	146,639	146,609	30
Capital outlay	153,248	153,247	1
Total	<u>390,008</u>	<u>389,976</u>	<u>32</u>
Imperial Centre:			
Salaries	67,845	67,795	50
Employee benefits	13,073	12,977	96
Operating expenses	1,404,160	1,403,432	728
Capital outlay	-	-	-
Total	<u>1,485,078</u>	<u>1,484,204</u>	<u>874</u>
Total parks and recreation	<u>7,048,924</u>	<u>6,986,768</u>	<u>62,156</u>
Public Service:			
Capital outlay	<u>3,594,320</u>	<u>1,588,200</u>	<u>2,006,120</u>
Debt service expenditures	<u>2,824,556</u>	<u>2,456,978</u>	<u>367,578</u>
Total expenditures	<u>51,547,456</u>	<u>45,395,604</u>	<u>6,151,852</u>
Revenues over (under) expenditures	<u>(6,450,395)</u>	<u>(678,798)</u>	<u>5,771,597</u>
Other Financing Sources (Uses):			
Transfers from other fund	3,000,000	3,056,299	56,299
Transfers to other fund	(1,251,815)	(1,233,100)	18,715
Installment purchase financing issued	1,087,000	682,000	(405,000)
Total other financing sources (uses):	<u>2,835,185</u>	<u>2,505,199</u>	<u>(329,986)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(3,615,210)	1,826,401	5,441,611
Fund balance appropriated	<u>3,615,210</u>	-	<u>(3,615,210)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses	<u>\$ -</u>	1,826,401	<u>\$ 1,826,401</u>
Fund Balance:			
Beginning of year, July 1		<u>20,904,505</u>	
End of year, June30		<u>\$ 22,730,906</u>	

NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 1,458,905	\$ 476,233	\$ 1,935,138
Receivables - net:			
Ad valorem taxes	-	6,288	6,288
Other governmental agencies	566,092	1,282,292	1,848,384
Other	485,480	-	485,480
Restricted cash and investments	-	350,062	350,062
Total assets	<u>\$ 2,510,477</u>	<u>\$ 2,114,875</u>	<u>\$ 4,625,352</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 88,649	\$ 57,050	\$ 145,699
Deferred revenue	-	6,288	6,288
Deposits	17,549	-	17,549
Due to other funds	443,151	117,697	560,848
Total liabilities	<u>549,349</u>	<u>181,035</u>	<u>730,384</u>
Fund Balances:			
Reserved for:			
State statute	118,743	1,095,480	1,214,223
Financing agreement	-	350,062	350,062
Unreserved:			
Undesignated	<u>1,842,385</u>	<u>488,298</u>	<u>2,330,683</u>
Total fund balances	<u>1,961,128</u>	<u>1,933,840</u>	<u>3,894,968</u>
Total liabilities and fund balances	<u>\$ 2,510,477</u>	<u>\$ 2,114,875</u>	<u>\$ 4,625,352</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 67,701	\$ 67,701
Intergovernmental	3,719,020	1,283,690	5,002,710
Project	1,985,649	262,400	2,248,049
Investment earnings	64,138	7,639	71,777
Miscellaneous	21,328	142,760	164,088
Total revenues	<u>5,790,135</u>	<u>1,764,190</u>	<u>7,554,325</u>
Expenditures:			
Current:			
General government	-	117,391	117,391
Public safety	117,090	875,842	992,932
Parks and recreation	-	1,044,288	1,044,288
Public service	3,319,301	36,654	3,355,955
Community revitalization	1,823,575	-	1,823,575
Debt service	-	694,083	694,083
Total expenditures	<u>5,259,966</u>	<u>2,768,258</u>	<u>8,028,224</u>
Revenues over (under) expenditures	<u>530,169</u>	<u>(1,004,068)</u>	<u>(473,899)</u>
Other Financing Sources (Uses):			
Transfers in	580,500	435,108	1,015,608
Transfers out	(556,299)	(70,063)	(626,362)
Installment purchase financing issued	-	350,000	350,000
Total other financing sources (uses)	<u>24,201</u>	<u>715,045</u>	<u>739,246</u>
Net change in fund balances	554,370	(289,023)	265,347
Fund Balances:			
Beginning of year, July 1	<u>1,406,758</u>	<u>2,222,863</u>	<u>3,629,621</u>
End of year, June 30	<u>\$ 1,961,128</u>	<u>\$ 1,933,840</u>	<u>\$ 3,894,968</u>

NON MAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

The purpose of the Public Transportation Grants Fund is to account for federal and state grants used to finance the Rocky Mount Transit (bus) system.

Entitlement Grants Fund

The purpose of the Entitlement Grants Fund is to account for projects financed with Housing and Urban Development (HUD) Grants that are used for revitalization of low and moderate-income areas within the City.

Emergency Management Fund

This fund was established to account for federal and state grant funds used to recover from the effects of natural disasters.

Crime/Safety Control Fund

This fund was established to account for federal and state grants used to finance law enforcement and fire projects including bullet proof vests, kid safety programs, law enforcement block grants, and other projects for crime and safety control.

Economic Development Fund

This fund was established to account for federal and state grants used to promote improvement in economically depressed areas, improve housing, public infrastructure, employment and business opportunities.

Emergency Telephone System Fund

This fund was established to account for monies received from the local telephone company from a monthly charge to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

Occupancy Tax

This fund was established to account for monies received from the local occupancy tax.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Emergency Management</u>
Assets:			
Cash and cash equivalents/investments	\$ -	\$ 47,038	\$ 3,890
Receivables - net:			
Other governmental agencies	377,902	165,472	-
Other	<u>356,803</u>	<u>2,356</u>	<u>-</u>
Total assets	<u>\$ 734,705</u>	<u>\$ 214,866</u>	<u>\$ 3,890</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 73,039	\$ 12,453	\$ -
Deposits	-	17,549	-
Due to other funds	<u>384,989</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>458,028</u>	<u>30,002</u>	<u>-</u>
Fund Balance:			
Reserved for:			
State statute	-	-	-
Unreserved:			
Undesignated	<u>276,677</u>	<u>184,864</u>	<u>3,890</u>
Total fund balance (deficit)	<u>276,677</u>	<u>184,864</u>	<u>3,890</u>
Total liabilities and fund balance	<u>\$ 734,705</u>	<u>\$ 214,866</u>	<u>\$ 3,890</u>

Schedule D-1

<u>Crime/ Safety Control</u>	<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 33,531	\$ 199,031	\$ 1,175,415	\$ -	\$ 1,458,905
22,718	-	-	-	566,092
-	7,578	48,677	70,066	485,480
<u>\$ 56,249</u>	<u>\$ 206,609</u>	<u>\$ 1,224,092</u>	<u>\$ 70,066</u>	<u>\$ 2,510,477</u>
\$ -	\$ 3,157	\$ -	\$ -	\$ 88,649
-	-	-	-	17,549
-	-	-	58,162	443,151
-	3,157	-	58,162	549,349
-	-	48,677	70,066	118,743
56,249	203,452	1,175,415	(58,162)	1,842,385
<u>56,249</u>	<u>203,452</u>	<u>1,224,092</u>	<u>11,904</u>	<u>1,961,128</u>
<u>\$ 56,249</u>	<u>\$ 206,609</u>	<u>\$ 1,224,092</u>	<u>\$ 70,066</u>	<u>\$ 2,510,477</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Emergency Management</u>
Revenues:			
Intergovernmental	\$ 1,524,596	\$ 1,658,374	\$ -
Project	1,486,572	100,095	-
Investment earnings	-	-	-
Miscellaneous	<u>13,755</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,024,923</u>	<u>1,758,469</u>	<u>-</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public service	3,054,644	-	-
Community revitalization	<u>-</u>	<u>1,816,381</u>	<u>-</u>
Total expenditures	<u>3,054,644</u>	<u>1,816,381</u>	<u>-</u>
Revenues over (under) expenditures	<u>(29,721)</u>	<u>(57,912)</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in	321,327	56,086	-
Transfers out	<u>-</u>	<u>(4,342)</u>	<u>-</u>
Total other financing sources (uses)	<u>321,327</u>	<u>51,744</u>	<u>-</u>
Net change in fund balances	291,606	(6,168)	-
Fund Balance:			
Beginning of year, July 1	<u>(14,929)</u>	<u>191,032</u>	<u>3,890</u>
End of year , June 30	<u>\$ 276,677</u>	<u>\$ 184,864</u>	<u>\$ 3,890</u>

Schedule D-2

<u>Crime/ Safety Control</u>	<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 92,345	\$ -	\$ -	\$ 443,705	\$ 3,719,020
-	-	398,982	-	1,985,649
1,345	-	55,978	6,815	64,138
7,573	-	-	-	21,328
<u>101,263</u>	<u>-</u>	<u>454,960</u>	<u>450,520</u>	<u>5,790,135</u>
117,090	-	-	-	117,090
-	-	264,657	-	3,319,301
-	7,194	-	-	1,823,575
<u>117,090</u>	<u>7,194</u>	<u>264,657</u>	<u>-</u>	<u>5,259,966</u>
<u>(15,827)</u>	<u>(7,194)</u>	<u>190,303</u>	<u>450,520</u>	<u>530,169</u>
3,087	200,000	-	-	580,500
-	(126,957)	-	(425,000)	(556,299)
<u>3,087</u>	<u>73,043</u>	<u>-</u>	<u>(425,000)</u>	<u>24,201</u>
(12,740)	65,849	190,303	25,520	554,370
<u>68,989</u>	<u>137,603</u>	<u>1,033,789</u>	<u>(13,616)</u>	<u>1,406,758</u>
<u>\$ 56,249</u>	<u>\$ 203,452</u>	<u>\$ 1,224,092</u>	<u>\$ 11,904</u>	<u>\$ 1,961,128</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC TRANSPORTATION GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 5,720,102	\$ 3,635,024	\$ 1,524,596	\$ 5,159,620
Project revenues	2,614,990	1,194,025	1,486,572	2,680,597
Investment earnings	-	6	-	6
Miscellaneous	23,500	14,753	13,755	28,508
Total revenues	<u>8,358,592</u>	<u>4,843,808</u>	<u>3,024,923</u>	<u>7,868,731</u>
Expenditures:				
Public Service:				
Operating	6,594,701	3,395,939	2,623,958	6,019,897
Capital outlay	<u>2,910,409</u>	<u>2,294,523</u>	<u>430,686</u>	<u>2,725,209</u>
Total expenditures	<u>9,505,110</u>	<u>5,690,462</u>	<u>3,054,644</u>	<u>8,745,106</u>
Revenues over (under) expenditures	<u>(1,146,518)</u>	<u>(846,654)</u>	<u>(29,721)</u>	<u>(876,375)</u>
Other Financing Sources (Uses):				
Transfers from other funds	888,406	440,116	321,327	761,443
Transfers to other funds	(119,000)	(119,000)	-	(119,000)
Installment purchase financing issued	137,500	197,354	-	197,354
Fund balance appropriated	<u>239,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,146,518</u>	<u>518,470</u>	<u>321,327</u>	<u>839,797</u>
Adjustment for closed projects	<u>-</u>	<u>313,255</u>	<u>-</u>	<u>313,255</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (14,929)</u>	<u>291,606</u>	<u>\$ 276,677</u>
Fund Balance:				
Beginning of year, July 1			<u>(14,929)</u>	
End of year, June 30			<u>\$ 276,677</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 244,846
Total Revenues	<u>244,846</u>
Expenditures:	
Operating	32,500
Capital outlay	<u>239,551</u>
Expenditures:	<u>272,051</u>
Revenues over (under) expenditures	<u>(27,205)</u>
Transfers from other funds	<u>27,205</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND-ENTITLEMENT GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 11,848,908	\$ 8,061,039	\$ 1,658,374	\$ 9,719,413
Project revenues	913,029	1,022,216	100,095	1,122,311
Investment earnings	-	10,221	-	10,221
Miscellaneous	73,400	84,077	-	84,077
Total revenues	<u>12,835,337</u>	<u>9,177,553</u>	<u>1,758,469</u>	<u>10,936,022</u>
Expenditures:				
Community revitalization program:				
Operating	13,031,679	9,115,343	1,797,133	10,912,476
Capital outlay	19,249	-	19,248	19,248
Total expenditures	<u>13,050,928</u>	<u>9,115,343</u>	<u>1,816,381</u>	<u>10,931,724</u>
Revenues over (under) expenditures	<u>(215,591)</u>	<u>62,210</u>	<u>(57,912)</u>	<u>4,298</u>
Other Financing Sources (Uses):				
Transfers to other funds	-	-	(4,342)	(4,342)
Transfers from other funds	215,591	128,822	56,086	184,908
Total other financing sources (uses)	<u>215,591</u>	<u>128,822</u>	<u>51,744</u>	<u>180,566</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 191,032</u>	<u>(6,168)</u>	<u>\$ 184,864</u>
Fund Balance:				
Beginning of year, July 1			<u>191,032</u>	
End of year, June 30			<u>\$ 184,864</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 4,334,436
Project revenues	<u>58,162</u>
Total revenues	<u>4,392,598</u>
Expenditures:	
Operating	3,923,108
Capital outlay	<u>469,490</u>
Expenditures:	<u>4,392,598</u>
Revenues over (under) expenditures	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 81,354,763	\$ 58,350,559	\$ -	\$ 58,350,559
Total revenues	<u>81,354,763</u>	<u>58,350,559</u>	<u>-</u>	<u>58,350,559</u>
Expenditures:				
Emergency Management:				
Operating	19,000	18,597	-	18,597
Hazard mitigation	81,335,763	58,328,072	-	58,328,072
Contributions	-	-	-	-
Total expenditures	<u>81,354,763</u>	<u>58,346,669</u>	<u>-</u>	<u>58,346,669</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 3,890</u>	<u>-</u>	<u>\$ 3,890</u>
Fund Balance:				
Beginning of year, July 1			<u>3,890</u>	
End of year, June 30			<u>\$ 3,890</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - CRIME/SAFETY CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Actual		
		Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 300,881	\$ 211,332	\$ 92,345	\$ 303,677
Miscellaneous	7,573	-	7,573	7,573
Investment earnings	41,226	41,252	1,345	42,597
Total revenues	<u>349,680</u>	<u>252,584</u>	<u>101,263</u>	<u>353,847</u>
Expenditures:				
Public Safety:				
Operating	128,475	65,589	25,616	91,205
Capital outlay	279,939	170,683	91,474	262,157
Total expenditures	<u>408,414</u>	<u>236,272</u>	<u>117,090</u>	<u>353,362</u>
Revenues over (under) expenditures	<u>(58,734)</u>	<u>16,312</u>	<u>(15,827)</u>	<u>485</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>58,734</u>	<u>52,677</u>	<u>3,087</u>	<u>55,764</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 68,989</u>	<u>(12,740)</u>	<u>\$ 56,249</u>
Fund Balance:				
Beginning of year, July 1			<u>68,989</u>	
End of year, June 30			<u>\$ 56,249</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 1,471,000	\$ 921,000	\$ -	\$ 921,000
Investment earnings	-	10,646	-	10,646
Other	1,080,997	920,168	-	920,168
Total revenues	<u>2,551,997</u>	<u>1,851,814</u>	<u>-</u>	<u>1,851,814</u>
Expenditures:				
Community Revitalization:				
Operating	922,635	669,246	-	669,246
Capital outlay	2,447,875	1,458,652	7,194	1,465,846
Total expenditures	<u>3,370,510</u>	<u>2,127,898</u>	<u>7,194</u>	<u>2,135,092</u>
Revenues over (under) expenditures	<u>(818,513)</u>	<u>(276,084)</u>	<u>(7,194)</u>	<u>(283,278)</u>
Other Financing Sources (Uses):				
Transfers to other funds	-	-	(126,957)	(126,957)
Transfers from other funds	818,513	413,687	200,000	613,687
Total other financing sources (uses)	<u>818,513</u>	<u>413,687</u>	<u>73,043</u>	<u>486,730</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 137,603</u>	65,849	<u>\$ 203,452</u>
Fund Balance:				
Beginning of year, July 1			<u>137,603</u>	
End of year, June 30			<u>\$ 203,452</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Project	\$ 350,000	\$ 398,982	\$ 48,982
Investment earnings	30,000	55,978	25,978
Total revenues	<u>380,000</u>	<u>454,960</u>	<u>74,960</u>
Expenditures:			
Public service:			
Operating	300,000	207,266	92,734
Capital outlay	<u>80,000</u>	<u>57,391</u>	<u>22,609</u>
Total expenditures	<u>380,000</u>	<u>264,657</u>	<u>115,343</u>
Revenues over (under) expenditures	<u>\$ -</u>	190,303	<u>\$ 190,303</u>
Fund Balances:			
Beginning of year, July 1		<u>1,033,789</u>	
End of year, June 30		<u>\$ 1,224,092</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Intergovernmental	\$ 2,465,000	\$ 1,951,924	\$ 443,705	\$ 2,395,629
Investment earnings	35,000	34,460	6,815	41,275
Total revenues	<u>2,500,000</u>	<u>1,986,384</u>	<u>450,520</u>	<u>2,436,904</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(2,500,000)</u>	<u>(2,000,000)</u>	<u>(425,000)</u>	<u>(2,425,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (13,616)</u>	25,520	<u>\$ 11,904</u>
Fund Balance:				
Beginning of year, July 1			(13,616)	
End of year, June 30			<u>\$ 11,904</u>	

NON MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

General Capital Projects Fund

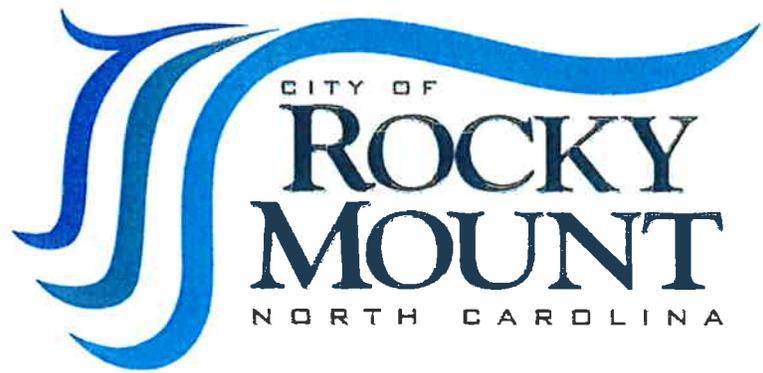
This fund is used to account for construction of various City projects to improve City parks and operational facilities.

General Capital Development Fund

This fund is used to account for federal and state grant funds and other locally funded projects for various parks and recreation projects in addition to the construction of various multi-year projects.

Imperial Theatre Capital Projects Fund

This fund is used to account for the transfers to the City's component unit.



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2007

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Imperial Theatre Capital Project</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:				
Cash and cash equivalents/investments	\$ -	\$ 445,395	\$ 30,838	\$ 476,233
Receivables - net:				
Ad valorem taxes	6,288	-	-	6,288
Other governmental agencies	1,095,480	186,812	-	1,282,292
Restricted cash and investments	350,062	-	-	350,062
Total assets	<u>\$ 1,451,830</u>	<u>\$ 632,207</u>	<u>\$ 30,838</u>	<u>\$ 2,114,875</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	36,038	21,012	-	57,050
Deferred revenues	6,288	-	-	6,288
Due to other funds	117,697	-	-	117,697
Total liabilities	<u>160,023</u>	<u>21,012</u>	<u>-</u>	<u>181,035</u>
Fund Balance:				
Reserved for:				
State statute	1,095,480	-	-	1,095,480
Financing agreement	350,062	-	-	350,062
Unreserved:				
Undesignated	(153,735)	611,195	30,838	488,298
Total fund balance	<u>1,291,807</u>	<u>611,195</u>	<u>30,838</u>	<u>1,933,840</u>
Total liabilities and fund balance	<u>\$ 1,451,830</u>	<u>\$ 632,207</u>	<u>\$ 30,838</u>	<u>\$ 2,114,875</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2007

	General Capital Projects	General Capital Development Projects	Imperial Theatre Capital Project	Total Nonmajor Capital Project Funds
Revenues:				
Taxes	\$ 67,701	\$ -	\$ -	\$ 67,701
Intergovernmental	942,045	266,777	74,868	1,283,690
Project	262,400	-	-	262,400
Investment earnings	6,955	684	-	7,639
Miscellaneous	-	142,760	-	142,760
Total revenues	<u>1,279,101</u>	<u>410,221</u>	<u>74,868</u>	<u>1,764,190</u>
Expenditures:				
Current:				
General government	117,391	-	-	117,391
Public safety	875,842	-	-	875,842
Parks and recreation	229,607	732,255	82,426	1,044,288
Public service	36,654	-	-	36,654
Debt service	694,083	-	-	694,083
Total expenditures	<u>1,953,577</u>	<u>732,255</u>	<u>82,426</u>	<u>2,768,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(674,476)</u>	<u>(322,034)</u>	<u>(7,558)</u>	<u>(1,004,068)</u>
Other Financing Sources (Uses):				
Transfers in	168,000	267,108	-	435,108
Transfers out	(70,063)	-	-	(70,063)
Installment purchase financing issued	350,000	-	-	350,000
Total other financing sources (uses)	<u>447,937</u>	<u>267,108</u>	<u>-</u>	<u>715,045</u>
Net change in fund balances	(226,539)	(54,926)	(7,558)	(289,023)
Fund Balances:				
Beginning of year - July 1	1,518,346	666,121	38,396	2,222,863
End of year - June 30	<u>\$ 1,291,807</u>	<u>\$ 611,195</u>	<u>\$ 30,838</u>	<u>\$ 1,933,840</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS - GENERAL CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Ad valorem taxes	\$ 68,000	\$ 67,701	\$ (299)
Intergovernmental	792,000	942,045	150,045
Project	262,400	262,400	-
Investment earnings	10,000	6,955	(3,045)
Contributions	338,700	-	(338,700)
Total revenues	<u>1,471,100</u>	<u>1,279,101</u>	<u>(191,999)</u>
Expenditures:			
Capital projects:			
General government	375,237	117,391	257,846
Public safety	884,350	875,842	8,508
Parks and recreation	238,000	229,607	8,393
Public service	36,700	36,654	46
Debt service	694,100	694,083	17
Total expenditures	<u>2,228,387</u>	<u>1,953,577</u>	<u>274,810</u>
Revenues over (under) expenditures	<u>(757,287)</u>	<u>(674,476)</u>	<u>82,811</u>
Other Financing Sources (Uses):			
Transfers to other funds	(95,063)	(70,063)	25,000
Transfers from other funds	168,000	168,000	-
Installment purchase financing issued	350,000	350,000	-
Fund balance appropriated	334,350	-	(334,350)
Total other financing sources (uses)	<u>757,287</u>	<u>447,937</u>	<u>(309,350)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(226,539)</u>	<u>\$ (226,539)</u>
Fund Balances:			
Beginning of year, July 1		<u>1,518,346</u>	
End of year, June 30		<u>\$ 1,291,807</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND-GENERAL CAPITAL DEVELOPMENT PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Project Authorization	Prior Years	Actual	
			Current Year	Total
Revenues:				
Intergovernmental	\$ 2,618,694	\$ 1,561,868	\$ 266,777	\$ 1,828,645
Investment earnings	-	60,722	684	61,406
Miscellaneous	704,150	542,344	142,760	685,104
Total revenues	<u>3,322,844</u>	<u>2,164,934</u>	<u>410,221</u>	<u>2,575,155</u>
Expenditures:				
Capital projects:				
Parks and recreation	16,934,429	15,153,813	732,255	15,886,068
Public service	171,063	-	-	-
Total expenditures	<u>17,105,492</u>	<u>15,153,813</u>	<u>732,255</u>	<u>15,886,068</u>
Revenues over (under) expenditures	<u>(13,782,648)</u>	<u>(12,988,879)</u>	<u>(322,034)</u>	<u>(13,310,913)</u>
Other Financing Sources (Uses):				
Transfers from other funds	2,282,648	2,155,000	267,108	2,422,108
Installment purchase financing issued	11,500,000	11,500,000	-	11,500,000
Total other financing sources (uses)	<u>13,782,648</u>	<u>13,655,000</u>	<u>267,108</u>	<u>13,922,108</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 666,121</u>	<u>(54,926)</u>	<u>\$ 611,195</u>
Fund Balance:				
Beginning of year, July 1			<u>666,121</u>	
End of year, June 30			<u>\$ 611,195</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 197,638
Investment earnings	1,464
Total revenues	<u>199,102</u>
Expenditures:	
Public service	231,973
Expenditures:	231,973
Revenues under expenditures	<u>(32,871)</u>
Transfers from other funds	32,871
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS - IMPERIAL THEATRE CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ 3,511,168	\$ 3,436,300	\$ 74,868	\$ 3,511,168
Expenditures:				
Capital projects:				
Parks and recreation	<u>7,886,373</u>	<u>7,773,109</u>	<u>82,426</u>	<u>7,855,535</u>
Revenues over (under) expenditures	<u>(4,375,205)</u>	<u>(4,336,809)</u>	<u>(7,558)</u>	<u>(4,344,367)</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>4,375,205</u>	<u>4,375,205</u>	<u>-</u>	<u>4,375,205</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 38,396</u>	<u>(7,558)</u>	<u>\$ 30,838</u>
Fund Balance:				
Beginning of year, July 1			<u>38,396</u>	
End of year, June 30			<u>\$ 30,838</u>	



ENTERPRISE FUNDS

Enterprise Funds are used to account for utility operations that are financed and operated in a manner similar to private enterprises where the intent is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Electric Fund

This fund accounts for the operation of the City's electric power distribution system.

Gas Fund

This fund accounts for the operation of the City's natural gas distribution system.

Water Fund

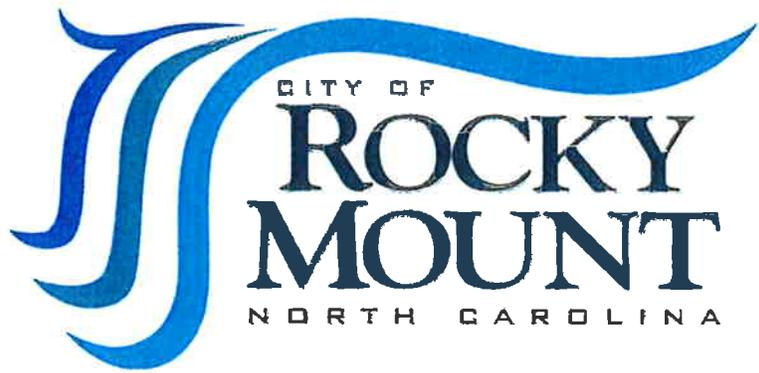
This fund accounts for the operation of the City's water treatment and distribution system.

Sewer Fund

This fund accounts for the operation of the City's sewer treatment system.

Storm Water Management Fund

This fund accounts for the operation of the City's storm water management system.



CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive/(Negative)</u>
Revenues:			
User charges	\$ 83,500,000	\$ 81,020,266	\$ (2,479,734)
Other operating revenue	1,573,000	1,815,179	242,179
Other nonoperating revenue	265,150	239,299	(25,851)
Investment earnings	310,000	510,557	200,557
Total revenues	<u>85,648,150</u>	<u>83,585,301</u>	<u>(2,062,849)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	2,281,275	2,280,966	309
Employee benefits	692,833	691,008	1,825
Electric power purchase	69,250,000	64,760,180	4,489,820
Operating expense	6,045,592	5,493,388	552,204
Utility support services:			
Salaries	161,325	161,323	2
Employee benefits	40,497	39,922	575
Operating expense	384,980	371,284	13,696
Energy services:			
Salaries	496,157	472,523	23,634
Employee benefits	124,581	113,507	11,074
Operating expense	732,856	684,372	48,484
Budgetary appropriations:			
Capital outlay	4,530,942	2,631,147	1,899,795
Debt services expenditures	1,025,940	1,017,769	8,171
Appropriation to school system	894,850	894,850	-
Total expenditures and budgetary appropriations	<u>86,661,828</u>	<u>79,612,239</u>	<u>7,049,589</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,013,678)</u>	<u>3,973,062</u>	<u>4,986,740</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,450,000)	(1,450,000)	-
Installment purchase financing issued	100,000	100,000	-
Fund balance appropriated	2,363,678	-	(2,363,678)
Total other financing sources (uses)	<u>1,013,678</u>	<u>(1,350,000)</u>	<u>(2,363,678)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 2,623,062</u>	<u>\$ 2,623,062</u>
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 2,623,062	
Depreciation		(1,509,613)	
Debt principal		935,857	
Capitalized capital outlay		1,365,663	
Rate stabilization		500,000	
Lease proceeds		(100,000)	
Change in net assets		<u>\$ 3,814,969</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - GAS OPERATING FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 28,600,000	\$ 29,526,454	\$ 926,454
Other operating revenue	24,874	-	(24,874)
Investment earnings	215,000	307,887	92,887
Total revenues	<u>28,839,874</u>	<u>29,834,341</u>	<u>994,467</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	847,931	846,690	1,241
Employee benefits	305,882	303,394	2,488
Natural gas purchases	22,526,000	22,550,161	(24,161)
Operating expense	3,219,731	2,815,898	403,833
Budgetary appropriations:			
Capital outlay	1,213,000	1,087,246	125,754
Appropriation to school system	249,330	238,630	10,700
Total expenditures and budgetary appropriations	<u>28,361,874</u>	<u>27,842,019</u>	<u>519,855</u>
Revenues over (under) expenditures	<u>478,000</u>	<u>1,992,322</u>	<u>1,514,322</u>
Other Financing Sources (Uses):			
Transfers to other funds	(900,000)	(900,000)	-
Installment purchase financing issued	185,000	177,000	(8,000)
Fund balance appropriated	237,000	-	(237,000)
Total other financing sources (uses)	<u>(478,000)</u>	<u>(723,000)</u>	<u>(245,000)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,269,322</u>	<u>\$ 1,269,322</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 1,269,322	
Depreciation		(227,739)	
Capitalized capital outlay		903,340	
Reserve for rate stabilization		150,000	
Lease proceeds		<u>(177,000)</u>	
Change in net assets		<u>\$ 1,917,923</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS -WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 9,470,000	\$ 9,323,877	\$ (146,123)
Licenses and permits	70,000	36,407	(33,593)
Other operating revenue	160,218	151,761	(8,457)
Investment earnings	85,000	214,692	129,692
Total revenues	<u>9,785,218</u>	<u>9,726,737</u>	<u>(58,481)</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,498,727	1,475,338	23,389
Employee benefits	466,719	466,719	-
Operating expense	3,362,610	3,008,540	354,070
Water services:			
Salaries	492,142	483,358	8,784
Employee benefits	231,539	231,538	1
Operating expense	1,285,601	1,251,029	34,572
Budgetary appropriations:			
Capital outlay	2,875,820	2,533,733	342,087
Debt services expenditures	1,552,027	1,550,886	1,141
Appropriation to school system	59,653	59,653	-
Total expenditures and budgetary appropriations	<u>11,824,838</u>	<u>11,060,794</u>	<u>764,044</u>
Revenues over (under) expenditures and budgetary appropriatio:	<u>(2,039,620)</u>	<u>(1,334,057)</u>	<u>705,563</u>
Other Financing Sources (Uses):			
Transfers to other funds	(350,000)	(350,000)	-
Fund balance appropriated	2,389,620	-	(2,389,620)
Total other financing sources (uses)	<u>2,039,620</u>	<u>(350,000)</u>	<u>(2,389,620)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (1,684,057)</u>	<u>\$ (1,684,057)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ (1,684,057)	
Depreciation		(1,189,158)	
Debt principal		1,248,391	
Capitalized capital outlay		<u>2,184,488</u>	
Change in net assets		<u>\$ 559,664</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

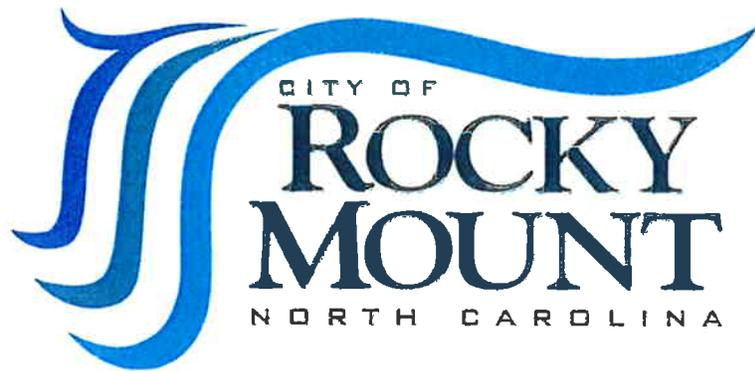
ENTERPRISE FUNDS - SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Operating Revenues:			
User charges	\$ 10,812,000	\$ 10,522,925	\$ (289,075)
Licenses and permits	20,000	10,465	(9,535)
Other operating revenue	196,048	68,232	(127,816)
Investment earnings	70,000	89,195	19,195
Total revenues	<u>11,098,048</u>	<u>10,690,817</u>	<u>(407,231)</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,072,995	1,016,429	56,566
Employee benefits	348,925	324,841	24,084
Operating expense	4,306,779	4,025,421	281,358
Sewer services:			
Salaries	598,180	580,480	17,700
Employee benefits	169,710	158,066	11,644
Operating expense	1,514,114	1,432,914	81,200
Budgetary appropriations:			
Capital outlay	5,557,275	4,793,734	763,541
Debt services expenditures	2,133,850	1,760,895	372,955
Total expenditures and budgetary appropriations	<u>15,701,828</u>	<u>14,092,780</u>	<u>1,609,048</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(4,603,780)</u>	<u>(3,401,963)</u>	<u>1,201,817</u>
Other Financing Sources (Uses):			
Transfer to other funds	(22,445)	(22,445)	-
Installment purchase financing issued	210,900	3,089,059	2,878,159
Fund balance appropriated	4,415,325	-	(4,415,325)
Total other financing sources (uses)	<u>4,603,780</u>	<u>3,066,614</u>	<u>(1,537,166)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (335,349)</u>	<u>\$ (335,349)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (335,349)	
Depreciation		(1,453,521)	
Debt principal		1,409,064	
Capitalized capital outlay		4,478,835	
Lease proceeds		<u>(3,089,059)</u>	
Change in net assets		<u>\$ 1,009,970</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - STORMWATER MANAGEMENT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Operating Revenues:			
User charges	\$ 2,600,000	\$ 2,666,750	\$ 66,750
Investment earnings	76,000	122,104	46,104
Total revenues	<u>2,676,000</u>	<u>2,788,854</u>	<u>112,854</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	178,464	174,861	3,603
Employee benefits	53,805	44,145	9,660
Operating expense	631,100	456,505	174,595
Stormwater operations:			
Salaries	970,102	967,935	2,167
Employee benefits	287,499	276,280	11,219
Operating expense	1,221,850	742,818	479,032
Budgetary appropriations:			
Capital outlay	803,000	468,624	334,376
Debt services expenditures	199,830	148,562	51,268
Total expenditures and budgetary appropriations	<u>4,345,650</u>	<u>3,279,730</u>	<u>1,065,920</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,669,650)</u>	<u>(490,876)</u>	<u>1,178,774</u>
Other Financing Sources (Uses):			
Transfers from other funds	510,000	510,000	-
Installment purchase financing issued	290,000	241,000	(49,000)
Fund balance appropriated	869,650	-	(869,650)
Total other financing sources (uses)	<u>1,669,650</u>	<u>751,000</u>	<u>(918,650)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 260,124</u>	<u>\$ 260,124</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 260,124	
Depreciation		(178,189)	
Debt principal		139,010	
Capitalized capital outlay		445,372	
Reserve for rate stabilization		125,000	
Lease proceeds		<u>(241,000)</u>	
Change in net assets		<u>\$ 550,317</u>	



INTERNAL SERVICE FUND

The Internal Service fund is used to account for intragovernmental services or any shared type service. One internal service fund is established to manage the City's self insurance revenues and expenditures for the organization.



CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUND- RISK MANAGEMENT
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
YEAR ENDED JUNE 30, 2007

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Insurance premiums	\$ 5,484,800	\$ 5,326,270	\$ (158,530)
Expenditures:			
Insurance claims	5,484,800	3,869,146	1,615,654
Administrative fees	-	758,266	(758,266)
Total expenditures	<u>5,484,800</u>	<u>4,627,412</u>	<u>857,388</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>698,858</u>	<u>\$ 698,858</u>
Fund Balance:			
Beginning of year, July 1		<u>55,979</u>	
End of year, June 30		<u>\$ 754,837</u>	



AGENCY FUNDS

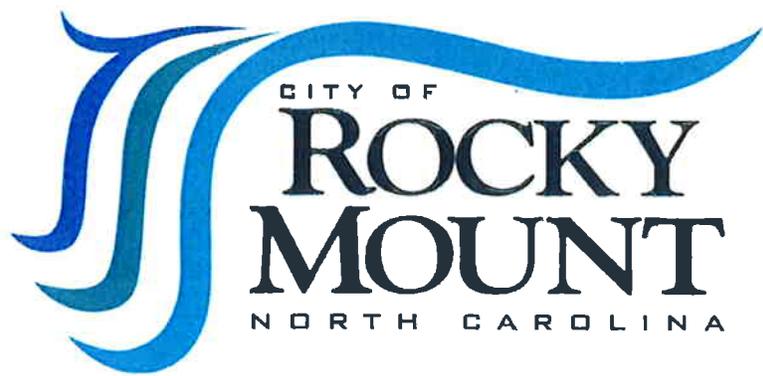
Agency Funds are used to account for transactions related to assets held by the City as an agency for individuals and/or other governmental units.



CITY OF ROCKY MOUNT, NORTH CAROLINA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 JUNE 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
Community Development and Governmental Activities Fund:				
Assets:				
Cash and cash equivalents	\$ 374,332	\$ 323,627	\$ 242,928	\$ 455,030
Other receivable	38	-	38	-
Total assets	<u>\$ 374,370</u>	<u>\$ 323,627</u>	<u>\$ 242,966</u>	<u>\$ 455,030</u>
Liabilities:				
Accounts payable	\$ 4,131	\$ 1,873	\$ 4,131	\$ 1,873
Due to other governmental agency	370,239	321,753	238,835	453,157
Total liabilities	<u>\$ 374,370</u>	<u>\$ 323,626</u>	<u>\$ 242,966</u>	<u>\$ 455,030</u>
Business Development Fund: Theatre LLC:				
Accounts receivable	\$ 480,519	\$ -	\$ 480,519	\$ -
Total assets	<u>\$ 480,519</u>	<u>\$ -</u>	<u>\$ 480,519</u>	<u>\$ -</u>
Due to other agencies	\$ 480,519	\$ -	\$ 480,519	\$ -
Total liabilities	<u>\$ 480,519</u>	<u>\$ -</u>	<u>\$ 480,519</u>	<u>\$ -</u>
Combining Totals:				
Assets:				
Cash and cash equivalents	\$ 374,332	\$ 323,627	\$ 242,928	\$ 455,030
Accounts receivable	480,557	-	480,557	-
Total assets	<u>\$ 854,889</u>	<u>\$ 323,627</u>	<u>\$ 723,485</u>	<u>\$ 455,030</u>
Liabilities:				
Accounts payable	\$ 4,131	\$ 1,873	\$ 4,131	\$ 1,873
Due to other government agency	850,758	321,753	719,354	453,157
Total liabilities	<u>\$ 854,889</u>	<u>\$ 323,626</u>	<u>\$ 723,485</u>	<u>\$ 455,030</u>



OTHER SUPPLEMENTAL SCHEDULES

The information in this section includes supplemental information about the City of Rocky Mount



CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE-GENERAL FUND
JUNE 30, 2007

Year	Uncollected Balance 6/30/2006	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2007
2006-2007		\$ 17,195,370	\$ 16,403,054	\$ 792,316
2005-2006	\$ 674,085	306,736	604,498	376,323
2004-2005	422,433	12,476	220,949	213,960
2003-2004	254,506	8,076	64,840	197,742
2002-2003	225,866	4,577	40,216	190,227
2001-2002	161,039	1,782	25,707	137,114
2000-2001	151,300	1,821	21,205	131,916
1999-2000	139,279	1,324	22,770	117,833
1998-1999	97,124	664	9,935	87,853
1997-1998	84,190	1,086	4,797	80,479
1996-1997	62,862	758	23,891	39,729
1995-1996	31,569	36	15,832	15,773
1994-1995	8,469	-	8,469	-
	<u>\$ 2,312,722</u>	<u>\$ 17,534,706</u>	<u>\$ 17,466,163</u>	2,381,265
Allowance for uncollectible ad valorem taxes receivable				<u>(894,250)</u>
Ad valorem taxes receivable, net				<u>\$ 1,487,015</u>
Reconciliation with Revenue:				
Taxes				\$ 17,489,699
Penalties and interest				<u>(192,441)</u>
Total				<u>17,297,258</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				16,381,529
Prior years				<u>915,729</u>
				17,297,258
Releases and transfers from interest				68,857
Other				<u>100,048</u>
Total collections and credits				<u>\$ 17,466,163</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2007

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 2,345,487,362	0.55	\$ 12,900,186	\$ 12,900,186	\$ -
Personal property	685,797,635	0.55	3,771,890	2,254,353	1,517,537
Public service property	<u>75,820,133</u>	0.55	<u>417,011</u>	<u>417,011</u>	<u>-</u>
	3,107,105,130		17,089,087	15,571,550	1,517,537
Discoveries	6,636,055	0.50	33,181	33,181	-
Discoveries	521,389	0.48	2,503	2,503	-
Discoveries	3,251,904	0.55	17,886	17,886	-
Discoveries	433,076	0.44	1,906	1,906	-
Refunds	<u>9,237,649</u>	0.55	<u>50,807</u>	<u>50,807</u>	<u>-</u>
Total property valuation	<u>\$ 3,127,185,203</u>				
Net levy			17,195,370	15,677,832	1,517,537
Uncollected taxes at June 30, 2007			<u>792,316</u>	<u>495,278</u>	<u>297,038</u>
Current year's taxes collected			<u>\$ 16,403,054</u>	<u>\$ 15,182,554</u>	<u>\$ 1,220,499</u>
Percent of current year taxes collected			<u>95.39%</u>	<u>96.84%</u>	<u>80.43%</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

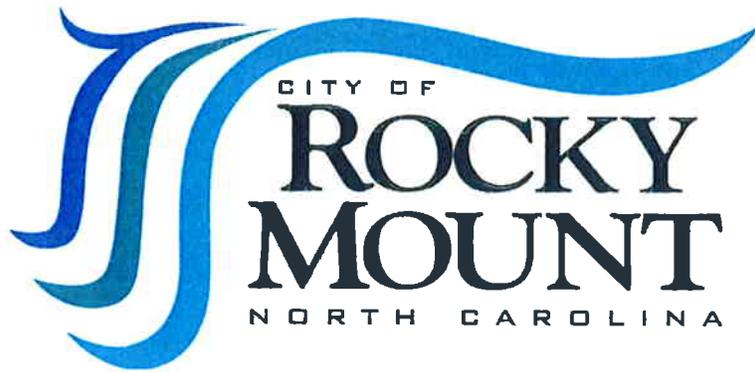
**SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2007**

Transfers to Fund	General Fund	Special Revenue Funds		
		Entitlement Grants Fund	Economic Development Fund	Occupancy Tax Fund
General Fund	\$ -	\$ 4,342	\$ 126,957	\$ 425,000
Special Revenue Funds				
Entitlement Grants	56,086	-	-	-
Economic Development	-	-	-	-
Public Transportation	321,327	-	-	-
Crime/Safety Control	3,087	-	-	-
Capital Projects Funds:				
General Capital Projects	168,000	-	-	-
Development Projects	174,600	-	-	-
Enterprise Funds:				
Storm water	510,000	-	-	-
Total	\$ 1,233,100	\$ 4,342	\$ 126,957	\$ 425,000

Schedule I-3

Capital Project Funds	Enterprise Funds					
General Capital Projects	Electric	Gas	Water	Sewer	Total	
\$ -	\$ 1,250,000	\$ 900,000	\$ 350,000	\$ -	\$ -	\$ 3,056,299
-	-	-	-	-	-	56,086
-	200,000	-	-	-	-	200,000
-	-	-	-	-	-	321,327
-	-	-	-	-	-	3,087
-	-	-	-	-	-	168,000
70,063	-	-	-	22,445	-	267,108
-	-	-	-	-	-	510,000
<u>\$ 70,063</u>	<u>\$ 1,450,000</u>	<u>\$ 900,000</u>	<u>\$ 350,000</u>	<u>\$ 22,445</u>	<u>\$ -</u>	<u>\$ 4,581,907</u>

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**



CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2007</u>	<u>2006</u>
Governmental Fund Capital Assets:		
Land and land improvements	\$ 24,425,600	\$ 14,551,010
Buildings	48,821,519	48,057,977
Equipment	35,754,841	33,855,764
Infrastructure	40,810,434	39,750,462
Construction in progress	244,434	9,136,554
Total governmental funds capital assets	<u>\$ 150,056,828</u>	<u>\$ 145,351,767</u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 133,821,543	\$ 130,149,834
Special revenue funds	3,935,559	3,555,284
Joint Venture - Racy Mount/Wilson Airport	12,299,726	11,646,649
Total governmental funds capital assets	<u>\$ 150,056,828</u>	<u>\$ 145,351,767</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2007**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
General Government:			
Mayor and Council	\$ 2,625,575	\$ 281,112	\$ 12,486
City Clerk	1,294,974	142,691	70,232
City Manager	-	17,238	83,082
Finance	3,207	104,521	5,609,403
Central services	1,241,006	22,450,436	760,014
Human resources	-	5,229	23,062
Total general government	<u>5,164,762</u>	<u>23,001,227</u>	<u>6,558,279</u>
Transit	<u>50,762</u>	<u>-</u>	<u>3,884,797</u>
Public Safety:			
Police	7,239	255,183	4,796,033
Fire	63,312	4,952,216	5,924,070
Total public safety	<u>70,551</u>	<u>5,207,399</u>	<u>10,720,103</u>
Public works	<u>891,069</u>	<u>2,946,993</u>	<u>10,453,248</u>
Engineering	<u>-</u>	<u>86,441</u>	<u>1,112,971</u>
Parks and recreation	<u>16,748,668</u>	<u>7,306,463</u>	<u>2,498,502</u>
Airport	<u>1,499,788</u>	<u>10,272,997</u>	<u>526,941</u>
Total general capital assets	<u>\$ 24,425,600</u>	<u>\$ 48,821,520</u>	<u>\$ 35,754,841</u>

Note: Amounts presented above exclude accumulated depreciation.

Schedule J-2

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,919,173
-	-	1,507,897
-	-	100,320
-	25,350	5,742,481
754,987	-	25,206,443
-	-	28,291
<u>754,987</u>	<u>25,350</u>	<u>35,504,604</u>
-	-	3,935,559
-	-	5,058,455
-	-	10,939,598
-	-	15,998,053
<u>38,957,182</u>	<u>7,194</u>	<u>53,255,686</u>
-	-	1,199,412
<u>1,098,265</u>	<u>211,890</u>	<u>27,863,788</u>
-	-	12,299,726
<u>\$ 40,810,434</u>	<u>\$ 244,434</u>	<u>\$ 150,056,828</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
General Government:				
Mayor and Council	\$ 2,920,155	\$ -	\$ 982	\$ 2,919,173
City Clerk	1,449,459	58,438	-	1,507,897
City Manager	94,942	5,378	-	100,320
Finance	5,571,085	263,502	92,107	5,742,480
Central services	25,192,072	14,371	-	25,206,443
Human resources	28,291	-	-	28,291
Total general government	<u>35,256,004</u>	<u>341,689</u>	<u>93,089</u>	<u>35,504,604</u>
Transit	<u>3,555,283</u>	<u>380,276</u>	<u>-</u>	<u>3,935,559</u>
Public Safety:				
Police	4,966,508	376,997	285,050	5,058,455
Fire	<u>10,050,841</u>	<u>929,796</u>	<u>41,039</u>	<u>10,939,598</u>
Total public safety	<u>15,017,349</u>	<u>1,306,793</u>	<u>326,089</u>	<u>15,998,053</u>
Public works	<u>51,745,113</u>	<u>2,364,449</u>	<u>853,876</u>	<u>53,255,686</u>
Engineering	<u>1,234,897</u>	<u>71,462</u>	<u>106,947</u>	<u>1,199,412</u>
Parks and recreation	<u>26,896,471</u>	<u>9,933,240</u>	<u>8,965,923</u>	<u>27,863,788</u>
Airport	<u>11,646,649</u>	<u>653,077</u>	<u>-</u>	<u>12,299,726</u>
Total general fixed assets	<u>\$ 145,351,766</u>	<u>\$ 15,050,986</u>	<u>\$ 10,345,924</u>	<u>\$ 150,056,828</u>

Note: Amounts presented above exclude accumulated depreciation



STATISTICAL SECTION (Unaudited)

Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the City.

Content

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source(s).

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET ASSETS BY COMPONENT

Last Six Fiscal Years

(accrual basis of accounting)

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 64,765,579	\$ 75,228,740	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916
Restricted	8,553,951	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857
Unrestricted	26,949,295	20,290,635	15,538,639	16,957,667	18,404,926	24,105,474
Total governmental activities net assets	\$ 100,268,825	\$ 102,770,186	\$ 104,776,424	\$ 105,323,678	\$ 106,063,710	\$ 107,684,247
Business-type activities						
Invested in capital assets, net of related debt	\$ 94,318,972	\$ 103,171,226	\$ 101,634,397	\$ 97,762,992	\$ 101,764,488	\$ 107,764,319
Restricted	1,970,295	-	-	-	-	-
Unrestricted	10,043,856	8,945,229	12,576,271	20,060,100	20,982,144	22,720,072
Total business-type activities	\$ 106,333,123	\$ 112,116,455	\$ 114,210,668	\$ 117,823,092	\$ 122,746,632	\$ 130,484,391
Primary government						
Invested in capital assets, net of related debt	\$ 159,084,551	\$ 178,399,966	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235
Restricted	10,524,246	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857
Unrestricted	36,993,151	29,235,864	28,114,910	37,017,767	39,387,070	46,825,546
Total primary government net assets	\$ 206,601,948	\$ 214,886,641	\$ 218,987,092	\$ 223,146,770	\$ 228,810,342	\$ 238,168,638
City of Rocky Mount Theatre, LLC						
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 724,066	\$ 1,122,029
Restricted	-	-	-	6,541,494	205,342	172,397
Unrestricted	-	-	-	-	(156,261)	100
Total City of Rocky Mount Theatre, LLC net assets	\$ -	\$ -	\$ -	\$ 6,541,494	\$ 773,147	\$ 1,294,526

Source: Audited Annual financial reports for the City of Rocky Mount

Note: Data is presented beginning with the fiscal year GASB Statement Number 34 was implemented.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CHANGE IN NET ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Expenses										
Governmental activities:										
General government	7,252,296	8,759,246	11,565,140	16,192,131	10,456,214	7,965,851	7,447,378	6,042,747	5,134,845	5,828,638
Public safety	13,823,221	14,063,200	14,019,034	15,218,255	16,547,845	17,290,838	19,046,410	19,056,350	20,571,641	20,528,191
Public Works	7,641,947	7,920,241	8,794,122	9,488,276	7,239,307	7,770,378	7,154,328	7,839,918	8,603,044	8,105,415
Engineering	699,820	667,788	674,791	826,250	670,185	939,353	1,052,631	1,141,096	939,634	984,492
Parks and recreation	3,042,278	3,246,127	3,277,501	3,892,579	4,438,203	3,598,602	5,312,167	11,170,909	9,217,034	8,241,393
Public Service	4,243,347	8,153,194	5,688,012	6,434,759	4,935,785	6,668,176	4,722,023	4,861,481	3,354,839	4,944,155
Emergency management	-	-	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-
Hazard mitigation	-	-	-	27,594,527	23,977,937	5,848,692	462,728	93,386	344,245	-
Community revitalization	1,372,791	1,036,315	2,346,699	2,354,729	2,827,927	1,106,614	2,964,035	2,702,468	2,690,132	1,823,575
Interest on Long-term debt	47,108	41,376	79,520	120,820	359,316	615,190	428,682	314,257	1,106,418	460,662
Total governmental activities expenses	38,122,808	43,887,487	53,994,352	84,071,727	72,737,513	52,891,986	49,275,972	54,800,823	51,961,832	50,916,521
Business-type activities:										
Electric	60,722,342	60,756,265	63,267,703	63,120,312	63,108,978	67,981,845	69,881,791	68,657,738	74,817,488	78,320,332
Gas	13,912,905	12,280,932	15,325,429	24,014,136	15,799,765	17,768,879	21,394,773	24,556,908	30,983,889	27,016,418
Water	6,038,456	6,326,733	7,472,626	8,410,813	9,745,637	7,925,757	8,555,812	8,289,814	8,499,790	8,817,067
Sewer	7,824,470	7,824,585	8,230,173	8,926,129	9,464,318	9,291,806	9,470,920	9,813,137	9,826,701	9,658,399
Storm Water Management	-	-	-	47,207	47,207	397,253	2,394,578	2,483,293	2,600,592	2,748,337
Total business-type activities expenses	88,498,173	87,188,515	94,295,931	104,471,390	98,165,905	103,365,540	111,697,874	113,800,890	126,728,460	126,560,753
Total primary government expenses	126,620,981	131,076,002	148,290,283	188,543,117	170,903,418	156,257,526	160,973,846	168,601,713	178,690,292	177,477,274
Program Revenues										
Governmental activities:										
Charges for services:										
General government	674,197	704,931	854,990	984,596	2,230,808	5,468,927	6,180,013	6,038,496	1,183,833	3,221,954
Public Safety	-	-	-	-	456,322	754,530	800,098	813,507	375,831	578,729
Public Works	2,903,896	3,540,640	3,791,380	4,256,544	4,654,684	5,339,853	5,077,156	4,377,217	5,521,528	5,781,811
Recreation	362,647	395,590	251,534	316,986	636,783	481,227	575,445	551,449	667,022	1,125,845
Public Service	-	-	-	-	217,787	120,443	175,941	183,969	5,967	1,500,327
Other activities	335,475	541,787	360,353	731,319	162,533	3,938	5,240	116,612	-	52,786
Operating grants and contributions	9,230,143	11,218,985	14,121,259	37,188,488	40,692,842	18,354,723	9,251,060	11,716,912	6,979,532	7,373,708
Capital grants and contributions	-	-	-	-	-	-	-	-	3,435,584	1,448,987
Total governmental activities program revenues	13,506,358	16,401,933	19,379,516	43,477,933	49,051,759	30,523,641	22,064,953	23,798,162	18,169,297	21,084,147
Business-type activities:										
Charges for services:										
Electric	64,610,622	65,457,767	61,493,313	62,597,012	63,314,751	68,933,540	70,818,385	70,680,615	78,174,288	83,074,744
Gas	16,618,362	14,519,911	16,684,499	24,530,267	16,212,913	19,470,776	23,173,028	27,176,264	31,684,789	29,526,454
Water	7,143,858	8,100,793	7,838,343	8,040,120	8,753,499	8,582,464	8,837,653	9,060,972	9,497,931	9,512,039
Sewer	8,114,487	8,939,095	8,867,975	9,492,301	10,250,919	9,091,467	8,723,827	9,230,978	10,232,023	10,601,619
Storm Water Management	-	-	-	-	-	2,020	2,366,558	2,464,505	2,673,764	2,666,750
Operating grants and contributions	-	-	1,200	183,525	14,881	499,791	296,007	-	50,000	-
Capital grants and contributions	-	-	-	-	-	166,740	-	56,385	-	-
Total business-type activities program revenues	96,487,329	97,017,566	94,885,330	104,843,225	98,920,689	106,746,798	114,263,433	118,669,719	132,414,174	135,381,606
Total primary government revenues	109,993,687	113,419,499	114,264,846	148,321,158	147,972,448	137,270,439	136,328,386	142,467,881	150,583,471	156,465,753
Net (expense)/revenue	(24,616,450)	(27,485,554)	(34,614,836)	(40,593,794)	(23,685,754)	(22,368,345)	(27,211,019)	(31,002,661)	(33,792,535)	(29,832,374)

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CHANGE IN NET ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Business-type activities	7,989,156	9,829,051	589,399	371,835	754,784	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853
Total primary government net expense	(16,627,294)	(17,656,503)	(34,025,437)	(40,221,939)	(22,930,970)	(18,987,087)	(24,645,460)	(26,135,832)	(28,106,821)	(21,011,521)
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	-	-	-	-	-	-	-	-	(99,747)	(265,087)
Investment earnings	-	-	-	-	-	-	-	-	20,755	1,557
Operating grants and contributions	-	-	-	-	-	-	-	3,675,205	-	784,909
Capital grants and contributions	-	-	-	-	-	-	-	2,866,289	852,039	-
Total City of Rocky Mount Theatre, LLC	-	-	-	-	-	-	-	6,541,494	773,047	\$21,379
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Ad valorem taxes	11,452,850	11,859,639	11,866,363	11,956,676	13,927,812	14,557,102	15,125,425	15,473,269	15,539,062	17,658,024
Local option taxes	4,484,070	4,960,800	7,548,410	5,541,623	7,108,787	8,312,645	9,218,640	9,940,317	10,444,807	8,269,778
Alcoholic beverage taxes	33,494	32,055	36,074	57,430	48,015	41,181	35,424	43,801	42,158	-
Other taxes	5,091,706	5,199,990	5,262,093	5,204,563	2,369,740	2,380,508	2,394,114	2,523,858	5,000,150	3,475,190
Investment earnings	1,222,700	1,024,282	1,413,434	1,235,917	438,519	315,810	281,293	571,906	953,803	1,554,069
Miscellaneous	2,421,481	3,488,778	13,598,737	4,434,935	1,838,285	1,507,250	1,584,818	1,550,358	(406,432)	460,298
Transfers	3,505,000	3,952,600	4,092,898	4,136,585	3,437,735	(2,244,790)	577,543	1,446,406	1,646,500	2,212,445
Total governmental activities	28,211,301	30,518,144	43,818,009	32,567,729	29,168,893	24,869,706	29,217,257	31,549,915	33,220,048	33,629,804
Business-type activities										
Investment earnings	633,800	698,654	231,755	714,322	269,709	157,284	106,197	190,001	884,326	1,244,435
Transfers	(3,505,000)	(3,952,600)	(4,092,898)	(4,136,585)	(3,437,735)	2,244,790	(577,543)	(1,446,406)	(1,646,500)	(2,212,445)
Total business-type activities	(2,871,200)	(3,253,946)	(3,861,143)	(3,422,263)	(3,168,026)	2,402,074	(471,346)	(1,256,405)	(762,174)	(968,010)
Total primary government	\$ 25,340,101	\$ 27,264,198	\$ 39,956,866	\$ 29,145,466	\$ 26,000,867	\$ 27,271,780	\$ 28,745,911	\$ 30,293,510	\$ 32,457,874	\$ 32,661,794
Change in Net Assets										
Governmental activities	3,594,851	3,032,590	9,203,173	(8,026,065)	5,483,139	2,501,361	2,006,238	547,254	(572,487)	3,797,430
Business-type activities	5,117,956	6,575,105	(3,271,744)	(3,050,428)	(2,413,242)	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843
Total primary government	\$ 8,712,807	\$ 9,607,695	\$ 5,931,429	\$ (11,076,493)	\$ 3,069,897	\$ 8,284,693	\$ 4,100,451	\$ 4,159,678	\$ 4,351,053	\$ 11,650,273
Total City of Rocky Mount Theatre, LLC	-	-	-	-	-	-	-	6,541,494	773,047	\$21,379

Source: Audited annual financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 3,577,489	\$ 4,187,859	\$ 9,134,951	\$ 11,029,686	\$ 8,235,220	\$ 6,456,306	\$ 7,381,918	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732
Unreserved	9,661,691	11,743,655	9,751,041	6,590,128	8,100,535	11,208,057	9,810,279	9,275,498	10,754,957	11,390,174
Total General Fund	\$ 13,239,180	\$ 15,931,514	\$ 18,885,992	\$ 17,619,814	\$ 16,335,755	\$ 17,664,363	\$ 17,192,197	\$ 17,542,848	\$ 17,935,975	\$ 22,730,906
All other governmental funds										
Reserved	\$ 3,022,170	\$ 5,659,743	\$ 7,005,204	\$ 11,293,362	\$ 12,922,826	\$ 11,526,310	\$ 18,743,796	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285
Unreserved, reported in:										
Special revenue funds	898,889	265,418	(1,244,559)	(6,645,737)	(1,708,564)	(823,773)	3,711,268	1,406,578	862,741	1,842,385
Capital projects funds	1,598,279	170,052	6,583,263.0	936,396	1,163,555	1,121,206	236,233	(1,542,598)	(1,029,988)	488,298
Total all other governmental funds	\$ 5,519,338	\$ 6,095,213	\$ 12,343,908	\$ 5,584,021	\$ 12,377,817	\$ 11,823,743	\$ 22,691,297	\$ 11,508,838	\$ 6,598,151	\$ 3,894,968
Total governmental funds	\$ 18,758,518	\$ 22,026,727	\$ 31,229,900	\$ 23,203,835	\$ 28,713,572	\$ 29,488,106	\$ 39,883,494	\$ 29,051,686	\$ 24,534,126	\$ 26,625,874

Source: Audited Annual financial reports for the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Ad valorem taxes	\$ 11,452,850	\$ 11,859,639	\$ 11,866,363	\$ 11,956,676	\$ 13,325,153	\$ 14,520,896	\$ 15,166,045	\$ 15,480,246	\$ 15,539,062	\$ 17,557,400
Intergovernmental revenues	18,244,377	20,703,378	26,664,597	47,358,348	45,515,241	29,970,198	22,271,559	25,003,998	22,438,252	21,627,094
Licenses and permits	674,197	704,931	854,990	984,596	1,018,506	1,014,465	959,509	1,062,447	1,154,278	1,093,244
Sales and services	3,602,018	4,478,017	4,403,267	5,304,849	5,585,671	6,412,018	6,287,858	5,776,514	7,087,149	7,440,276
Investment earnings	1,222,700	1,024,282	1,413,434	1,235,917	543,329	386,621	325,595	571,907	953,803	1,137,780
Contributions	-	-	-	-	-	-	-	-	1,750	-
Project revenue	595,036	708,452	303,239	633,756	798,228	639,197	755,317	953,509	1,956,496	2,248,049
Miscellaneous	1,416,481	1,970,178	5,308,462	3,689,830	7,292,006	1,728,283	1,515,686	1,616,700	1,328,766	1,167,288
Total revenues	37,207,659	41,448,877	50,814,352	71,163,972	74,078,134	54,671,678	47,281,569	50,465,321	50,459,556	52,271,131
Expenditures										
Current:										
General government	3,977,706	4,739,575	5,262,808	5,148,988	4,726,847	4,668,845	4,035,859	5,158,843	4,699,327	4,962,300
Public safety	13,123,676	13,550,718	14,017,746	15,218,255	15,717,144	16,565,970	18,364,648	18,942,217	19,243,723	19,847,153
Public service	3,151,582	4,492,172	3,383,917	5,042,046	5,881,541	8,383,109	4,404,003	6,556,720	4,989,178	4,907,501
Public works	7,641,947	7,920,241	8,794,122	9,488,276	8,715,214	8,660,280	8,683,760	8,163,894	8,407,965	8,687,750
Engineering	699,820	667,788	674,791	826,250	767,112	903,440	990,811	1,091,174	1,012,595	983,545
Parks and recreation	3,042,278	3,246,127	3,277,501	3,892,579	4,000,232	3,853,802	4,459,702	5,320,805	5,205,534	6,986,768
Community revitalization	1,372,791	1,036,315	2,346,699	2,354,729	2,583,532	1,432,762	3,008,056	2,702,468	2,690,490	1,823,575
Emergency management	-	-	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-
Hazard Mitigation	-	-	-	27,594,527	23,979,181	5,847,233	469,501	93,386	344,245	-
Capital projects:										
General government	2,646,051	3,206,107	4,766,012	8,845,997	1,103,937	60,052	31,604	34,323	136,122	117,391
Public safety	699,545	512,482	1,288	-	560,155	951,801	944,470	413,219	65,665	875,842
Parks and recreation	-	-	-	-	1,720,458	2,405,976	2,461,473	10,643,850	10,254,898	1,044,288
Public service	1,091,765	3,661,022	2,304,095	1,392,713	101,110	92,048	217,888	47,341	2,763	36,654
Debt service:										
Principal	628,539	813,564	1,536,320	2,197,146	2,179,559	1,443,233	1,938,575	2,629,979	2,481,687	2,690,399
Interest	47,108	41,376	79,520	120,820	359,316	615,190	428,682	314,257	1,106,418	460,662
Total expenditures	\$ 38,122,808	\$ 43,887,487	\$ 53,994,352	\$ 84,071,727	\$ 73,680,132	\$ 56,971,713	\$ 50,439,032	\$ 64,376,277	\$ 60,640,610	\$ 53,423,828
Excess of revenues over (under) expenditures	(915,149)	(2,438,610)	(3,180,000)	(12,907,755)	398,002	(2,300,035)	(3,157,463)	(13,910,956)	(10,181,054)	(1,152,697)

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other financing soruces (uses)										
Transfers in	\$ 4,220,609	\$ 4,676,484	\$ 5,159,217	\$ 5,259,540	\$ 4,048,781	\$ 4,215,042	\$ 3,648,625	\$ 3,906,689	\$ 3,934,664	\$ 4,071,907
Transfers out	(715,609)	(723,884)	(1,066,319)	(1,122,955)	(611,046)	(1,898,473)	(2,669,775)	(2,460,283)	(2,288,164)	(1,859,462)
Capital contributions	-	-	-	-	-	-	-	100,388	-	-
Proceeds from installment purchase agreement	1,005,000	1,518,600	8,290,275	745,105	1,674,000	758,000	12,574,001	1,532,354	725,000	1,032,000
Total other financing sources (uses)	<u>4,510,000</u>	<u>5,471,200</u>	<u>12,383,173</u>	<u>4,881,690</u>	<u>5,111,735</u>	<u>3,074,569</u>	<u>13,552,851</u>	<u>3,079,148</u>	<u>2,371,500</u>	<u>3,244,445</u>
Net change in fund balance	\$ 3,594,851	\$ 3,032,590	\$ 9,203,173	\$ (8,026,065)	\$ 5,509,737	\$ 774,534	\$ 10,395,388	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748
Debt service as a percentage of noncapital expenditures	2.01%	2.34%	3.44%	3.14%	3.62%	3.85%	5.06%	5.53%	7.15%	6.14%

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Service	Public Works and Engineering	Parks & Recreation	Emergency Management		Community Revitalization	Capital Projects	Debt Service	Total Expenditures
						Hazard Mitigation	Hazard Mitigation				
1998	3,977,706	13,123,676	3,151,582	8,341,767	3,042,278	-	-	1,372,791	4,437,361	675,647	38,122,808
1999	4,739,575	13,550,718	4,492,172	8,588,029	3,246,127	-	-	1,036,315	7,379,611	854,940	43,887,487
2000	5,262,808	14,017,746	3,383,917	9,468,913	3,277,501	7,549,533	-	2,346,699	7,071,395	1,615,840	53,994,352
2001	5,148,988	15,218,255	5,042,046	10,314,526	3,892,579	29,543,928	-	2,354,729	10,238,710	2,317,966	84,071,727
2002	5,830,784	16,277,299	5,982,651	9,482,326	5,720,690	25,263,975	-	2,583,532	-	2,538,875	73,680,132
2003	4,728,897	17,517,771	8,475,157	9,563,720	6,259,778	6,935,205	-	1,432,762	-	2,058,423	56,971,713
2004	4,067,463	19,309,118	4,621,891	9,674,571	6,921,175	469,501	-	3,008,056	-	2,367,257	50,439,032
2005	5,193,166	19,355,436	6,604,061	9,255,068	15,964,655	2,357,187	-	2,702,468	-	2,944,236	64,376,277
2006	4,835,449	19,309,388	4,991,941	9,420,560	15,460,432	344,245	-	2,690,490	-	3,588,105	60,640,610
2007	5,079,691	20,722,995	4,944,155	9,671,295	8,031,056	-	-	1,823,575	-	3,151,061	53,423,828

Source: Audited annual financial reports of the City of Rocky Mount
Includes General, Special Revenue, and Capital Projects funds

*Beginning with 2001-2002, the City allocated its capital project expenditures to functional areas in accordance with GASB34.

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Local Option Sales Tax	Franchise Tax	Tele-Communications Tax	Inventory Tax	Beer & Wine Tax	Intangibles Tax Reimbursement	Licenses		Total Tax Revenues
								Permits &	Other Taxes	
1998	11,452,850	6,204,070	2,412,375	-	772,546	238,114	507,818	674,197		22,261,970
1999	11,859,639	6,681,800	2,477,799	-	763,034	243,457	475,680	704,931		23,206,340
2000	11,866,363	9,048,410	2,414,525	-	762,327	248,341	479,025	854,990		25,673,981
2001	11,956,676	7,141,623	2,337,740	-	756,330	252,692	460,426	984,596		23,890,083
2002	13,325,153	6,727,074	1,451,108	109,789	373,211	0	452,359	1,018,506		23,457,200
2003	14,453,446	6,988,835	2,092,717	674,218	-	237,060	-	1,014,465		25,460,741
2004	15,096,358	7,780,851	2,114,785	643,218	-	241,192	-	959,509		26,835,913
2005	15,410,242	8,484,481	2,156,778	690,000	-	248,474	-	1,062,447		28,052,422
2006	15,471,066	8,645,938	2,286,691	649,543	-	248,713	-	1,154,278		28,456,229
2007	17,489,699	9,114,179	2,139,942	892,825	-	254,360	-	1,093,244		30,984,249

Source: Audited annual financial reports of the City of Rocky Mount

Note: Ad valorem taxes includes penalties & interest

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Tele- communication Tax	Inter- Governmental Revenue	Licenses & Permits	Sales and Services	Project Revenue	Investment Earnings	Other Revenue	Total Revenues
1998	11,452,850	-	18,244,377	674,197	3,602,018	595,036	1,222,700	1,416,481	37,207,659
1999	11,859,639	-	20,703,378	704,931	4,478,017	708,452	1,024,282	1,970,178	41,448,877
2000	11,866,363	-	26,664,597	854,990	4,403,267	303,239	1,413,434	5,308,462	50,814,352
2001	11,956,676	-	47,358,348	984,596	5,304,849	633,756	1,235,917	3,689,830	71,163,972
2002	13,325,153	109,789	45,515,241	1,018,506	5,585,671	798,228	543,329	7,292,006	74,187,923
2003	14,520,896	674,218	29,970,198	1,014,465	6,412,018	639,197	386,621	1,728,282	55,345,895
2004	15,166,045	643,218	21,628,341	959,509	6,287,858	755,317	325,595	1,515,686	47,281,569
2005	15,480,246	690,000	24,313,998	1,062,447	5,776,514	953,509	571,907	1,616,700	50,465,321
2006	15,539,062	649,543	21,788,709	1,154,278	7,087,149	1,956,496	953,803	1,330,516	50,459,556
2007	17,557,400	892,825	20,734,269	1,093,244	7,440,276	2,248,049	1,137,780	1,167,288	52,271,131

Source: Audited annual financial reports of the City of Rocky Mount
Includes General, Special Revenue, and Capital Projects funds

CITY OF ROCKY MOUNT, NORTH CAROLINA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property				Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property		Commercial Property		Nash		Edgecombe		Nash	Edgecombe				
	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe						
1998	783,001,363	243,429,078	590,685,238	33,194,874	544,522,439	134,139,306	22,393,627	61,957,738	2,413,323,663	0.46	2,704,554,937	89.23%		
1999 (4)	806,473,373	244,843,526	608,392,193	33,387,754	606,732,047	123,821,273	23,222,062	62,527,120	2,509,399,348	0.46	2,920,102,869	85.94%		
2000	825,232,307	246,161,722	622,543,670	33,567,508	622,925,524	115,418,834	23,450,300	63,517,961	2,552,817,826	0.46	3,026,780,395	84.34%		
2001	830,885,152	244,581,854	626,808,097	33,352,071	608,737,263	98,294,787	22,458,537	57,669,017	2,522,786,778	0.46	3,250,309,935	77.62%		
2002 (5)	1,017,812,950	288,993,512	767,823,805	39,408,206	669,986,247	110,702,591	30,787,083	73,654,860	2,999,169,254	0.44	3,083,727,540	97.26%		
2003	1,037,986,053	256,099,724	783,042,111	85,366,575	608,893,225	114,220,469	26,762,807	56,019,837	2,968,390,800	0.48	3,177,764,775	93.41%		
2004	1,054,977,251	253,503,275	795,860,032	84,501,092	562,746,225	104,125,246	32,695,064	47,181,660	2,935,589,845	0.50	3,176,490,414	92.42%		
2005	1,077,695,549	262,120,334	812,998,397	78,295,684	593,586,482	101,352,335	36,435,170	49,004,400	3,011,488,351	0.50	3,256,634,332	92.47%		
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	631,198,099	86,492,902	36,173,019	42,110,137	3,068,079,978	0.50	3,436,851,062	89.27%		
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%		

Source: Audited annual financial reports of the City of Rocky Mount

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Notes:

- (1) Public service companies valuations are provided to the City by the North Carolina Department of Revenue.
- (2) Per \$100 of value.
- (3) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (4) Includes annexed property.
- (5) Revaluation year for Property values.

CITY OF ROCKY MOUNT, NORTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year	City of Rocky Mount			Overlapping Rates Edgecombe County			Total Direct and Overlapping Rates (Edgecombe County)
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	School Millage (2)	Total County Millage	
1998	0.46	-	0.46	0.91	-	0.91	1.37
1999	0.46	-	0.46	0.91	-	0.91	1.37
2000	0.46	-	0.46	0.91	-	0.91	1.37
2001	0.46	-	0.46	0.87	-	0.87	1.33
2002	0.44	-	0.44	0.87	-	0.87	1.31
2003	0.48	-	0.48	0.91	-	0.91	1.39
2004	0.50	-	0.50	0.91	-	0.91	1.41
2005	0.50	-	0.50	0.93	-	0.93	1.43
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49

Fiscal Year	City of Rocky Mount			Overlapping Rates Nash County		Total Direct and Overlapping Rates (Nash County)
	Operating Millage	Debt Service Millage	Total City Millage	Total County Millage	Municipal Service District Tax (1)	
1998	0.46	-	0.46	0.66	0.20	1.32
1999	0.46	-	0.46	0.66	0.20	1.32
2000	0.46	-	0.46	0.69	0.20	1.35
2001	0.46	-	0.46	0.66	0.20	1.32
2002	0.44	-	0.44	0.66	0.20	1.30
2003	0.48	-	0.48	0.66	0.20	1.34
2004	0.50	-	0.50	0.66	0.20	1.36
2005	0.50	-	0.50	0.66	0.20	1.36
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.70	0.20	1.45

Sources: City of Rocky Mount Finance Department

Notes: 1) Municipal Service District represents part of the Downtown Business District

2) Edgecombe County Special School District established after City School District merged with Nash County School District

City of Rocky Mount, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	Type of Business	2007			1998		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc ^a	Pharmaceuticals	\$ 130,044,688	1	4.16 %	\$ 64,605,752	2	2.68 %
Cogentrix of Rocky Mount Inc	Electrical Energy Producer	46,366,086	2	1.48	65,570,817	1	2.72
Carolina Telephone Company	Communications	41,764,539	3	1.34	38,547,252	3	1.60
Centura Bank Inc	Banking	38,167,825	4	1.22	30,190,949	4	1.25
Fords Colony at RY Mount LLC	Community Development Company	26,551,403	5	0.85	-	-	-
Hendon Golden East LLC ^b	Retail Shopping Center	24,514,456	6	0.78	26,241,651	8	1.09
Kaba Ilco Corp ^c	Key & Security System Manufacturer	20,946,098	7	0.67	24,011,669	9	0.99
Honeywell International Inc ^d	Aircraft Manufacturer	20,000,852	8	0.64	27,977,630	7	1.16
Cobb Corners Ltd. Partnership	Retail Shopping Center	16,914,055	9	0.54	-	-	-
Carolina Power & Light	Electrical Energy Producer	12,761,397	10	0.41	-	-	-
American Fibers and Yarns Co. ^e	Textile Manufacturer	-	-	-	28,028,540	6	1.16
Multimedia Cablevision	Cable Television	-	-	-	13,379,049	10	0.55
AT & T	Communications	-	-	-	30,444,038	5	1.26
Total		\$ 378,031,399		12.09 %	\$ 348,997,347		14.46 %

Source: City of Rocky Mount Finance Dept

- ^a Formerly Abbott Laboratories
- ^b Formerly C F Rocky Mount Associates
- ^c Formerly Ilco Unican
- ^d Formerly Allied Signal Aerospace Co.
- ^e Formerly Amoco Fabrics and Fibers Company

City of Rocky Mount, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 11,188,429	\$ 401,175	\$ 11,589,604	\$ 10,879,838	97.24 %	\$ 629,298	\$ 11,509,136	99.31 %
1999	11,544,991	393,085	11,938,076	11,199,380	97.01	650,901	11,850,281	99.26
2000	11,742,961	221,913	11,964,874	10,931,751	93.09	915,392	11,847,143	99.02
2001	11,604,820	406,283	12,011,103	11,122,043	95.84	757,145	11,879,188	98.90
2002	13,205,016	323,838	13,528,854	12,411,433	93.99	980,302	13,391,735	98.99
2003	14,241,109	277,054	14,518,163	13,464,833	94.55	863,103	14,327,936	98.69
2004	14,676,242	311,585	14,987,827	14,046,434	95.71	743,651	14,790,085	98.68
2005	15,314,550	363,997	15,678,547	14,652,620	95.68	811,967	15,464,587	98.64
2006	15,188,026	456,710	15,644,736	14,663,915	96.55	604,498	15,268,413	97.59
2007	17,089,087	106,282	17,195,369	16,403,053	95.99	-	16,403,053	95.39

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates
Fiscal Year 2006-2007

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	Monthly Energy Charge/kWh	Monthly Energy Charge-750 kWh/kWh	Monthly Energy Charge-Next 1250 kWh/kWh	Monthly Energy Charge-All Over 2000 kWh/kWh	Monthly Energy Charge-First 2000 kWh/kWh	Monthly Energy Charge-Additional kWh/kWh
Residential 7/06-12/06		9.23	22.45				0.115090					
Residential 1/07-6/07			22.45				0.113880					
Small General Service 7/06-12/06		17.60	30.82					0.139310	0.113720	0.106680		
Small General Service 1/07-6/07		17.60	30.82					0.138100	0.112510	0.105470		
Medium General Service 7/06-12/06		17.60	30.82				0.081870					
Medium General Service 1/07-6/07		17.60	30.82				0.080660					
Large General Service 7/06-12/06	733.82						0.058750					
Large General Service 1/07-6/07	733.82						0.057540					
Coordinated Demand Control Service 7/06-12/06				175.63	643.97	1,229.41	0.048650					
Coordinated Demand Control Service 1/07-6/07				175.63	643.97	1,229.41	0.047440					
Med General Seasonal/Intermittent 7/06-12/06		17.60	30.82								0.124560	0.095950
Med General Seasonal/Intermittent 1/07-6/07		17.60	30.82								0.123350	0.094740

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.

City of Rocky Mount, North Carolina

**Electric Utility Revenue Rates
Last Ten Fiscal Years**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Residential-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	7.31	7.31	7.31	7.31	7.79	7.79	8.16	8.26	9.23	9.23
Monthly Customer Charge-Three Phase	10.47	10.47	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22
Monthly Energy Charge/kWH	0.09	0.09	0.09	0.09	0.10	0.10	0.11	0.11	0.12	0.11
Monthly Energy Charge/kWH-Summer	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	-	-
Monthly Energy Charge/kWH-Winter	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	-	-
Small General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge-Three Phase	10.47	10.47	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.11	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.14	0.14
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.11	0.11
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.11	0.11
Medium General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge-Three Phase	10.46	10.46	10.46	10.46	11.15	11.15	11.68	11.83	13.22	13.22
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.08	0.08
Large General Service-rates at fiscal year-end										
Monthly Customer Charge	581.00	581.00	581.00	581.00	619.00	619.00	656.71	733.82	733.82	733.82
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06

City of Rocky Mount, North Carolina

**Electric Utility Revenue Rates - continued
Last Ten Fiscal Years**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Coordinated Demand Control Service-rates fiscal end										
Monthly Customer Charge-Under 1,000 kW	100.00	100.00	100.00	100.00	150.00	150.00	157.17	157.17	175.63	175.63
Monthly Customer Charge-1,000 -2,500 kW	500.00	500.00	500.00	500.00	550.00	550.00	576.30	576.30	643.97	643.97
Monthly Customer Charge-Over 2,500 kW	1,000.00	1,000.00	1,000.00	1,000.00	1,050.00	1,050.00	1,100.22	1,100.22	1,229.41	1,229.41
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05
Med General Seasonal/Intermittent-rates fiscal end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge-Three Phase	10.47	10.47	10.47	10.47	26.00	26.00	27.24	27.58	30.82	30.82
Monthly Energy Charge-First 2000 kWh/kWH	0.09	0.09	0.09	0.09	0.10	0.10	0.11	0.11	0.12	0.12
Monthly Energy Charge-Additional kWh/kWH	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.10	0.09

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.

City of Rocky Mount, North Carolina

Principal Electric Revenue Payers
Current Year and Eight Years Ago

Electric Customer	Type of Business	2007			1999		
		Electric Revenue Billing	Rank	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue
Nash General	Hospital	\$ 1,801,241	1	2.15%	\$ 1,291,764	3	1.97%
Unican	Key & Security System Manufacturer	990,524	2	1.19%	806,800	5	1.23%
Merita	Bread Distributor	960,349	3	1.15%	540,318	8	0.83%
Owens/Illinois	Plastic Packaging Manufacturer	796,797	4	0.95%	-	-	-
McLane	Food Distributor	778,905	5	0.93%	474,113	9	0.72%
Cheesecake Factory	Bakery Production Facility	616,278	6	0.74%	-	-	-
Wal-Mart	Department Store	583,102	7	0.70%	-	-	-
Sprint/Carolina Telephone	Communications	515,202	8	0.62%	591,126	7	0.90%
Tietex Creations	Textile Manufacturer	488,702	9	0.58%	-	-	-
Draka Elevator	Elevator Products Manufacturer	487,578	10	0.58%	-	-	-
Amoco Fibers	Textile Manufacturer	-	-	-	2,335,927	1	3.57%
Texfi	Textile Manufacturer	-	-	-	1,621,856	2	2.48%
Sheffield	Textile Manufacturer	-	-	-	789,842	6	1.21%
Seicor	Wire Manufacturer	-	-	-	376,077	10	0.57%
Thorpe-Greenville	Tobacco Exporter	-	-	-	1,124,968	4	1.72%
Total		\$ 8,018,678		9.59%	\$ 9,952,791		15.20%

Source: City of Rocky Mount Public Utilities-Energy Services Department

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Power	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
1998	64,610,622	51,562,248	7,853,081	5,195,293	(1,100,637)	4,094,656	(1,285,000)	2,809,656	4.3%
1999	65,457,767	50,838,872	8,589,489	6,029,406	(962,715)	5,066,691	(1,410,500)	3,656,191	5.6%
2000	61,493,313	50,456,258	11,407,782	(370,727)	(1,335,245)	(1,705,972)	(1,492,898)	(3,198,870)	-5.2%
2001	62,597,012	50,325,654	11,494,779	776,579	(950,724)	(174,145)	(1,553,180)	(1,727,325)	-2.8%
2002	63,299,637	50,524,960	11,150,468	1,624,209	(1,361,598)	262,611	(1,637,500)	(1,374,889)	-2.2%
2003	68,690,602	55,041,060	12,373,660	1,275,882	60,697	1,336,579	(1,673,704)	(337,125)	-0.5%
2004	70,099,299	56,464,242	12,811,149	823,908	358,607	1,182,515	(1,729,180)	(546,665)	-0.8%
2005	69,650,344	56,336,079	11,912,498	1,401,767	598,235	2,000,002	(946,406)	1,053,596	1.5%
2006	78,239,181	62,244,977	11,847,200	4,147,004	(155,379)	3,991,625	(1,016,500)	2,975,125	3.8%
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969	(1,450,000)	3,814,969	4.6%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
1998	64,120,850	501,581	-	-	206,376	64,828,807
1999	64,965,393	481,741	-	-	365,189	65,812,323
2000	61,422,115	68,446	-	1,000	67,418	61,558,979
2001	61,964,201	483,024	-	2,321	346,834	62,796,380
2002	62,922,924	376,713	-	-	71,952	63,371,589
2003	67,987,358	703,244	56,028	426,844	20,540	69,194,014
2004	69,947,046	152,253	508,908	285,907	18,799	70,912,913
2005	69,259,750	390,594	794,744	-	20,108	70,465,196
2006	77,276,496	962,685	-	250,000	319,932	78,809,113
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES

Last Eight Years

Fiscal Year	Residential	Commercial/ Industrial	Commercial	Seasonal	Other Lights	Total Revenues
2000	\$ 25,409,618	\$ 32,171,469	\$ 2,629,021	\$ 72,236	\$ 1,139,771	\$ 61,422,115
2001	27,930,375	29,105,770	3,166,389	225,765	1,535,902	61,964,201
2002	27,416,136	30,791,121	3,210,947	61,505	1,443,215	62,922,924
2003	31,405,564	31,980,148	3,040,122	120,173	1,441,351	67,987,358
2004	31,900,566	34,008,336	2,348,027	124,267	1,565,850	69,947,046
2005	31,523,269	34,013,985	2,063,686	120,620	1,538,190	69,259,750
2006	36,321,665	36,775,239	2,401,305	134,323	1,643,964	77,276,496
2007	37,192,405	39,477,453	2,484,540	131,543	1,734,325	81,020,266

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (Loss) to Operating Revenues
1998	16,618,362	10,900,384	2,780,571	2,937,407	(70,271)	2,867,136	(1,800,000)	1,067,136	6.4%
1999	14,519,911	9,079,104	2,949,888	2,491,919	(121,796)	2,370,123	(2,000,000)	370,123	2.5%
2000	16,684,499	11,154,320	3,911,375	1,618,804	(216,732)	1,402,072	(2,000,000)	(597,928)	-3.6%
2001	24,530,267	19,292,534	4,503,133	734,600	(186,598)	548,002	(1,777,590)	(1,229,588)	-5.0%
2002	16,093,258	11,191,724	4,252,940	648,594	(149,639)	498,955	(1,041,735)	(542,780)	-3.4%
2003	19,385,470	13,281,194	4,388,581	1,715,695	(43,744)	1,671,951	114,465	1,786,416	9.2%
2004	23,085,573	15,947,768	4,980,597	2,157,208	(408,720)	1,748,488	-	1,748,488	7.6%
2005	27,087,316	20,022,261	4,463,489	2,601,566	28,994	2,630,560	(700,000)	1,930,560	7.1%
2006	31,684,789	26,372,355	4,436,476	875,958	59,438	935,396	(1,000,000)	(64,604)	-0.2%
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923	(900,000)	1,917,923	6.5%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Investment Earnings	Total Revenues
1998	16,514,259	107,177	161,679	16,783,115
1999	14,245,099	270,888	131,144	14,647,131
2000	16,679,016	1,699	43,002	16,723,717
2001	24,530,267	529	31,871	24,562,667
2002	16,207,098	201	49,235	16,256,534
2003	19,385,219	251	33,757	19,419,227
2004	23,036,682	48,891	24,662	23,110,235
2005	27,087,066	250	62,244	27,149,560
2006	31,684,589	200	234,496	31,919,285
2007	29,526,454	-	307,887	29,834,341

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND USER CHARGES

Last Eight Years

Fiscal Year	Residential	Commercial	Industrial	Special	Seasonal	Other	Total Revenues
2000	\$ 7,938,695	\$ 3,477,689	\$ 896,755	\$ 3,833,345	\$ 98,045	434,487	\$ 16,679,016
2001	12,856,449	6,219,802	1,116,890	3,979,646	67,545	322,335	24,562,667
2002	8,411,137	4,436,398	555,038	2,423,283	129,419	251,824	16,207,098
2003	11,056,184	5,481,151	678,990	1,984,805	141,540	42,549	19,385,219
2004	12,297,077	6,536,227	859,116	3,187,255	138,164	18,843	23,036,682
2005	14,000,487	7,752,418	819,822	4,307,113	204,058	3,168	27,087,066
2006	16,192,772	9,526,806	1,150,982	4,455,658	355,708	2,662	31,684,589
2007	14,975,766	8,592,738	1,102,949	4,565,371	288,076	1,554	29,526,454

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES, EXPENSES AND NET INCOME Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
1998	7,143,858	5,480,659	1,663,199	(396,881)	1,266,318	(420,000)	846,318	11.8%
1999	8,100,793	5,693,548	2,407,245	(495,612)	1,911,633	(542,100)	1,369,533	16.9%
2000	7,838,343	6,892,215	946,128	(508,785)	437,343	(600,000)	(162,657)	-2.1%
2001	8,040,120	7,890,681	149,439	(300,478)	(151,039)	(759,112)	(910,151)	-11.3%
2002	8,344,267	7,458,940	885,327	(1,905,940)	(1,020,613)	(571,288)	(1,591,901)	-19.1%
2003	8,375,012	7,265,783	1,109,229	(396,474)	712,755	3,311,234	4,023,989	48.0%
2004	8,617,670	7,836,436	781,234	(392,638)	388,596	(133,373)	255,223	3.0%
2005	8,788,591	7,747,906	1,040,685	(242,086)	798,599	(600,000)	198,599	2.3%
2006	9,514,292	8,099,827	1,414,465	(231,641)	1,182,824	(330,000)	852,824	9.0%
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664	(350,000)	559,664	5.9%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
1998	6,985,976	-	156,486	34,725	-	160,916	7,338,103
1999	7,930,190	-	187,218	49,165	-	137,573	8,304,146
2000	7,713,760	127,971	65,199	-	200	71,426	7,978,556
2001	7,962,973	77,147	97,216	-	28,193	191,461	8,356,990
2002	8,739,896	78,240	107,132	-	14,881	63,480	9,003,629
2003	8,200,445	89,785	92,694	-	72,947	37,030	8,492,901
2004	8,434,449	38,228	161,290	-	10,100	32,831	8,676,898
2005	8,668,630	82,335	37,626	-	-	61,828	8,850,419
2006	9,329,808	79,094	105,390	-	-	168,322	9,682,614
2007	9,323,877	36,407	151,761	-	-	214,692	9,726,737

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES

Last Eight Years

Fiscal Year	Inside City	Outside City	Municipal	Other	Total Revenues
2000	\$ 6,725,743	\$ 538,283	\$ 447,537	\$ 2,197	\$ 7,713,760
2001	6,935,668	492,077	530,640	4,588	7,962,973
2002	7,393,400	597,470	744,940	4,085	8,739,896
2003	6,752,354	663,394	782,400	2,296	8,200,445
2004	6,843,878	717,074	871,724	1,773	8,434,449
2005	7,130,536	738,940	796,923	2,230	8,668,630
2006	7,674,909	835,590	818,929	380	9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES, EXPENSES AND NET INCOME Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
1998	8,114,487	7,026,527	1,087,960	(693,114)	394,846	-	394,846	4.9%
1999	8,939,095	7,042,085	1,897,010	(717,752)	1,179,258	-	1,179,258	13.2%
2000	8,867,975	7,562,064	1,305,911	(618,200)	687,711	-	687,711	7.8%
2001	9,492,301	8,207,636	1,284,665	(574,337)	710,328	106,308	816,636	8.6%
2002	9,987,299	8,281,116	1,706,183	(815,637)	890,546	186,514	1,077,060	10.8%
2003	8,989,252	8,633,456	355,796	(499,239)	(143,443)	663,944	520,501	5.8%
2004	8,623,692	8,890,909	(267,217)	(458,661)	(725,878)	31,678	(694,200)	-8.0%
2005	9,213,340	9,335,446	(122,106)	(331,288)	(453,394)	-	(453,394)	-4.9%
2006	10,311,549	9,395,580	915,969	(346,652)	569,317	-	569,317	5.5%
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415	(22,445)	1,009,970	9.5%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Investment Earnings	Total Revenues
1998	7,763,123	-	185,501	310,638	104,829	8,364,091
1999	8,514,697	-	435,521	64,590	64,748	9,079,556
2000	8,927,335	59,237	63,269	-	49,909	9,099,750
2001	9,260,652	54,640	73,787	-	144,156	9,533,235
2002	10,328,304	28,780	72,610	-	85,042	10,514,736
2003	9,037,813	23,682	86,783	-	65,957	9,214,235
2004	8,542,153	10,604	102,613	-	27,766	8,683,136
2005	8,994,505	5,930	212,905	-	22,218	9,235,558
2006	10,135,472	(7,919)	183,996	-	84,469	10,396,018
2007	10,522,925	10,465	68,232	-	89,195	10,690,817

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND USER CHARGES

Last Eight Years

Fiscal Year	Sewer Service	Sewer Surcharge	Sewer No Water	Wholesale	Other	Total Revenues
2000	\$ 6,206,846	\$ 486,658	\$ 1,358,493	\$ 863,003	\$ 12,335	\$ 8,927,335
2001	6,100,575	505,656	1,528,750	1,086,742	38,929	9,260,652
2002	7,195,870	547,999	1,450,879	1,100,378	33,178	10,328,304
2003	7,008,116	314,799	373,715	1,292,647	48,536	9,037,813
2004	6,770,687	384,146	289,774	1,063,778	33,768	8,542,153
2005	7,578,173	266,046	71,480	1,041,481	37,325	8,994,505
2006	8,111,423	503,691	61,818	1,429,185	29,356	10,135,472
2007	8,386,692	134,055	92,025	1,880,219	29,934	10,522,925

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORM WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
1998	-	-	-	-	-	-	-	0.0%
1999	-	-	-	-	-	-	-	0.0%
2000	-	-	-	-	-	-	-	0.0%
2001	-	-	-	-	-	-	-	0.0%
2002	-	47,207	(47,207)	-	(47,207)	-	(47,207)	0.0%
2003	-	390,467	(390,467)	-	(390,467)	-	(390,467)	0.0%
2004	2,246,746	2,287,496	(40,750)	(650)	(41,400)	1,301,307	1,259,907	56.1%
2005	2,333,267	2,339,776	(6,509)	17,261	10,752	800,000	810,752	34.7%
2006	2,673,764	2,227,602	446,162	(295,883)	150,279	700,000	850,279	31.8%
2007	2,666,750	2,738,985	(72,235)	112,552	40,317	510,000	550,317	20.6%

Source: Audited financial reports of the City of Rocky Mount

Note : Stormwater enterprise fund began in fiscal year 2001-02.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE

Last Four Fiscal Years

Fiscal Year	User Charges	Investment Earnings	Total Revenues
2004	\$ 2,246,746	\$ 2,137	2,248,883
2005	2,333,267	23,603	2,356,870
2006	2,673,764	77,107	2,750,871
2007	2,666,750	122,104	2,788,854

Source: Audited financial reports of the City of Rocky Mount
New service for FY2004

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Four Years

Fiscal Year	Residential	Multi-family	Commercial	Total Revenues
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	1,751,733	170,866	744,151	2,666,750

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount
New service for FY2004

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Business-type Activities										Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Governmental Activities					Business-type Activities							
	Capital Leases	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	Capital Leases	Capital Leases	Capital Leases	Capital Leases	Capital Leases			
1998	1,231,180	9,987,745	14,222,255	-	6,362,285	31,803,465	1.00%	551.86					
1999	2,196,756	8,977,113	12,817,887	-	6,020,361	30,012,117	0.98%	508.94					
2000	9,270,565	8,197,724	11,467,276	-	8,607,670	37,543,235	1.10%	647.23					
2001	8,364,882	7,429,109	10,130,891	-	6,635,260	32,560,142	0.92%	581.29					
2002	7,859,323	6,669,114	8,805,886	-	6,484,671	29,818,994	0.84%	532.50					
2003	6,907,494	5,781,335	7,633,665	-	3,881,565	24,204,059	0.66%	430.61					
2004	17,435,317	4,908,640	6,481,360	-	3,058,425	31,883,742	0.83%	567.97					
2005	16,519,537	4,051,029	5,348,971	592,893	9,219,339	35,731,769	0.91%	634.57					
2006	14,828,599	3,210,656	4,239,344	1,194,328	8,987,480	32,460,407	0.78%	576.66					
2007	13,760,312	2,385,366	3,149,634	4,253,610	7,717,568	31,266,490	not available	554.72					

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Demographic and Economic Statistics for personal income and population data.

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund					
1998	24,210,000	0	24,210,000	1.85%	0.90%	420	
1999	21,795,000	0	21,795,000	1.71%	0.75%	370	
2000	19,665,000	0	19,665,000	1.42%	0.65%	339	
2001	17,560,000	0	17,560,000	1.27%	0.54%	313	
2002	15,475,000	0	15,475,000	1.12%	0.50%	276	
2003	13,415,000	0	13,415,000	0.95%	0.42%	239	
2004	11,390,000	0	11,390,000	0.77%	0.36%	203	
2005	9,400,000	0	9,400,000	0.62%	0.29%	167	
2006	7,450,000	0	7,450,000	0.46%	0.22%	132	
2007	5,535,000	0	5,535,000	not available	0.15%	98	

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Demographic and Economic Statistics for personal income and population data.

(2) See Assessed Value and Actual Value of Taxable Property for property value data.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**COMPUTATION OF DIRECT AND OVERLAPPING
Bonded Debt as of June 30, 2007**

<u>Name of Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount¹</u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt			
City of Rocky Mount:			
Sanitary Sewer	\$ 3,149,634	100.0%	\$ 3,149,634
Water	<u>2,385,366</u>	100.0%	<u>2,385,366</u>
Total Direct Debt	<u>\$ 5,535,000</u>		<u>\$ 5,535,000</u>
Overlapping Debt			
Edgecombe County:			
Water & Sewer	3,039,500	18.0%	547,110
Water & Sewer Bond			
Anticipation Notes	3,866,500	18.0%	695,970
Nash County	<u>-</u>	82.0%	<u>-</u>
Total Overlapping Debt	<u>\$ 6,906,000</u>		<u>\$ 1,243,080</u>
Total direct and overlapping debt	<u>\$ 12,441,000</u>		<u>\$ 6,778,080</u>

¹ Percentage applicable to the City of Rocky Mount is calculated by determining value of taxable property in Edgecombe and Nash Counties.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Rocky Mount. This process recognizes that, when the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 193,066	\$ 200,752	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 193,066	\$ 200,752	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175

Total net debt applicable to the limit as a percentage of debt limit 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value	\$3,127,185,203
Debt Limit (8% of total assessed value) (1)	250,174,816
Debt applicable to limitation:	
Total outstanding bonded debt at 6/30/07	5,535,000
Less: Statutory deductions (2 and 3)	
Bonds issued and outstanding for water purposes	2,385,366
Bonds issued and outstanding for sewer purposes	3,149,634
	<u>5,535,000</u>
Total amount of debt applicable to debt limit	-
Legal debt margin	<u>\$250,174,816</u>

Notes:

- (1) North Carolina General Statute 159-55(c) limits the City's net debt to 8% of the appraised value of property subject to taxation within the City.
- (2) North Carolina General Statute 159-55(c)(2) exempts bonds issued for electric system and water system purposes from inclusion in the calculation of legal debt margin.
- (3) North Carolina General Statute 159-55(c)(3) exempts bonds issued for sanitary sewer system purposes from inclusion in the calculation of legal debt margin.

CITY OF ROCKY MOUNT, NORTH CAROLINA

PLEGGED REVENUE COVERAGE - WATER & SEWER

Last Ten Fiscal Years

Fiscal Year	Sewer Bonds						Coverage
	Operating		Net Revenue Available for Debt Service	Debt Service Requirements ³		Total	
	Revenues ¹	Expenses ²		Principal	Interest		
1998	7,421,373	5,489,250	1,932,123	1,095,154	908,472	2,003,626	96.43%
1999	8,221,343	5,482,838	2,738,505	1,404,367	536,923	1,941,290	141.07%
2000	8,249,775	6,145,481	2,104,294	1,350,611	590,045	1,940,657	108.43%
2001	8,917,964	6,788,368	2,129,596	1,336,385	526,298	1,862,684	114.33%
2002	9,513,120	7,293,392	2,219,728	1,325,005	461,675	1,786,679	124.24%
2003	8,490,013	7,280,712	1,209,301	1,172,221	397,535	1,569,757	77.04%
2004	8,165,031	7,498,657	666,374	1,152,305	347,716	1,500,021	44.42%
2005	8,882,052	8,131,250	750,802	1,132,389	298,743	1,431,131	52.46%
2006	9,964,897	8,016,527	1,266,124	1,109,627	248,918	1,358,545	93.20%
2007	10,338,983	7,853,047	1,511,536	1,089,711	200,094	1,289,805	117.19%

Fiscal Year	Water Bonds						Coverage
	Operating		Net Revenue Available for Debt Service	Debt Service Requirements ³		Total	
	Revenues ¹	Expenses ²		Principal	Interest		
1998	6,746,977	4,591,285	2,155,692	748,596	657,441	1,406,037	153.32%
1999	7,605,181	4,765,653	2,839,528	1,010,633	615,229	1,625,861	174.65%
2000	7,329,558	5,510,224	1,819,334	449,389	403,162	852,551	213.40%
2001	7,739,642	6,397,491	1,342,151	768,615	368,884	1,137,499	117.99%
2002	6,812,540	6,234,348	578,192	759,995	334,795	1,094,791	52.81%
2003	7,978,538	5,766,193	2,212,345	887,779	301,072	1,188,851	186.09%
2004	8,225,032	6,359,717	1,865,315	872,695	263,342	1,136,037	164.19%
2005	8,546,505	6,549,732	1,996,773	857,611	226,252	1,083,864	184.23%
2006	9,282,651	6,811,286	2,471,365	840,373	188,517	1,028,890	240.20%
2007	9,364,583	7,265,761	2,098,822	825,289	151,541	976,830	214.86%

¹ Total revenues including interest

² Total operating expenses exclusive of depreciation and amortization

³ Includes General Obligation Bonds

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Years

Year	City Population (1)	Rocky Mount MSA(a) Personal Income (Millions) (2)	Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount MSA(a) Unemployment Rate (3)	Rocky Mount MSA(a) Retail Sales (Millions) (4)
1997	57,150	3,074.0	21,993	8.4%	1,228.4
1998	57,630	3,179.5	22,739	8.0%	1,216.4
1999	58,970	3,060.6	21,604	6.8%	1,167.3
2000	58,006	3,421.7	23,921	6.1%	1,163.7
2001	56,014	3,536.7	24,644	8.1%	1,121.8
2002	55,998	3,554.0	24,628	10.4%	1,052.7
2003	56,209	3,643.7	25,245	9.5%	1,060.7
2004	56,136	3,838.2	26,464	8.5%	1,112.5
2005	56,309	3,946.0	27,116	7.5%	1,173.5
2006	56,290	4,180.0	28,579	6.7%	720.5
2007	56,364	not available	not available	6.8%	720.0

Sources:

- (1) City of Rocky Mount Planning Department
- (2) U.S. Dept of Commerce - Bureau of Economic Analysis
- (3) NC Employment Security Commission
- (4) NC Dept of Revenue

(a) Metropolitan Statistical Area

*Note: Retail Sales for 2006 are not comparable to prior years because of a change in reporting of retail sales by NC DOR from gross retail sales to taxable sales starting July 2005.

CITY OF ROCKY MOUNT, NORTH CAROLINA

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

Employer	2007			1999		
	Employees	Rank	Percentage of Total MSA (a) Employment	Employees	Rank	Percentage of Total MSA (a) Employment
Nash Rocky Mount Schools	2,500	1	3.75%	2,400	1	3.68%
Hospira/Abbott Laboratory	1,800	2	2.70%	1,774	2	2.72%
Nash Health Care Systems	1,725	3	2.58%	1,725	3	2.65%
Consolidated Diesel	1,350	4	2.02%	1,514	4	2.32%
RBC Centura	1,250	5	1.87%	800	6	1.23%
Embarq/Sprint	1,100	6	1.65%	635	8	0.97%
QVC Inc	850	7	1.27%			0.00%
West Corporation	800	8	1.20%			0.00%
Kaba Ilco Corporation	575	8	0.86%	805	5	1.23%
McLane North Carolina	570	9	0.85%	500	11	0.77%
MBM Corporation	600	10	0.90%	350	12	0.54%
HoneyWell			0.00%	598	10	0.92%
Texfi Blends			0.00%	682	7	1.05%
IBC Merita Wonder Bakery			0.00%	625	9	0.96%
	13,120		19.66%	12,408		16.11%

Source: Carolina Gateways Partnership

(a) Metropolitan Statistical Area

CITY OF ROCKY MOUNT, NORTH CAROLINA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	94	99	101	101	102	100	103	101	106	105
Public Safety										
Police	164	178	173	180	181	177	175	184	193	191
Fire	126	130	126	127	124	132	136	136	133	133
Public Works	126	132	131	134	133	132	101	104	104	103
Engineering	20	23	23	23	22	21	24	24	23	25
Parks & Recreation	55	60	59	56	58	55	58	58	61	66
Public Service	2	3	3	3	3	2	2	2	2	4
Economic Development	24	26	26	27	24	26	25	23	20	20
Electric	55	52	50	52	55	50	53	54	58	59
Gas	22	19	18	21	18	19	20	21	21	18
Water	61	68	70	66	59	60	62	62	62	55
Sewer	23	27	27	26	26	27	27	27	25	27
Storm Water						1	32	32	33	31
Total	771	816	806	815	804	801	818	828	840	837

Source: Finance Department

Note: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers.

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police										
Physical arrests	12,514	11,159	8,762	8,387	8,934	10,714	9,221	8,911	8,270	11,367
Traffic violations	6,140	5,915	7,226	6,961	7,468	8,087	6,655	5,963	4,114	6,741
Fire										
Number of calls answered	1,690	1,748	3,022	4,872	5,234	5,453	6,442	7,050	7,750	7,679
Inspections	3,407	4,356	1,736	2,429	2,236	3,350	2,686	2,862	2,957	2,361
Water										
Water main (miles)	300	300	300	300	300	350	360	360	461	473
Number of meters	22,500	22,800	22,800	24,700	23,800	24,258	26,379	26,915	24,700	24,998
Avg daily consumption (millions of gallons)	13.9	13.5	13.7	13.9	13.3	11.6	11.9	11.9	11.3	11.5
Peak daily consumption (millions of gallons)	20.3	19.6	20.4	18.2	20.0	15.2	16.0	17.0	16.4	13.5
Wastewater										
Avg daily sewer treatment (millions of gallon:	13.6	11.5	13.8	13.2	13.8	15.1	12.4	12.4	10.2	12.8

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function/Program	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	49	49	55	55	52	60	60	58	58	42
Fire										
Stations	6	6	6	6	6	6	7	7	7	7
Public Works										
Streets (miles)	254	255	257	259	265	268	270	272	268	263
Streetlights	6,294	6,345	6,393	6,600	6,600	6,739	6,957	6,957	6,957	6,850
Recreation and Parks										
Parks	45	46	46	46	46	46	46	46	41	39
Acreage	400	472	472	472	472	472	481	481	499	506
Swimming Pools	2	2	-	-	-	-	1	1	2	2
Tennis Courts	40	45	45	45	40	34	30	30	37	34
Recreation centers	3	3	3	3	3	3	3	3	2	3
Water										
Water mains (miles)	300	300	300	300	300	350	360	360	461	473
Maximum daily capacity (millions of gallons)	28	28	28	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	10	10	11	11	11	11	11	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	688	689	690	691	691	665	680	429	687	720