

# Comprehensive Annual Financial Report



**Fiscal Year Ended June 30, 2015**



**CITY OF ROCKY MOUNT,  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2015**

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



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# INTRODUCTORY SECTION

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- **Letter of Transmittal**
- **Certificate of Achievement for  
Excellence in Financial Reporting**
- **Organizational Chart**
- **List of Principal Officials**





October 19, 2015

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, 2015.

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, 2015 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, 2015 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 the 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**

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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 56,325 and straddles the Nash and Edgecombe County line, encompassing 44 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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 Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing body, 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 43 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 113. 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 129.

## FACTORS AFFECTING FINANCIAL CONDITION

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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. Rocky Mount is ranked as the 15<sup>th</sup> largest city in the state of North Carolina. Over the past 20 years, North Carolina has transitioned from a traditional economy based on tobacco, furniture and textiles to a global economy that is driven by knowledge-based enterprises, including advanced manufacturing, software and information technology, biopharmaceuticals and financial services. The Rocky Mount area continues to attract many of these new and technologically advanced industries. However, older, established industries, including textiles and agriculture, continue to thrive in the area. Agriculture contributes greatly to the area's economy, especially tobacco. The area is also a top producer of cucumbers, sweet potatoes, poultry, peanuts, cotton and hogs. Financial institutions are also a vital part of the Rocky Mount area. Among the area's leading products are pharmaceuticals, diesel engines, bakery products, processed tobacco, key systems, electronic controls, and automotive fuel systems. 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.

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 8.9% as of June 30, 2015 compared to last year's rate of 10.2%. Numbers released by the North Carolina Department of Commerce indicate Rocky Mount's metropolitan area experienced improvement in total employment. Since last August, total area employment grew 7.2%, the second fastest rate of growth among metropolitan areas in the state. Employment within the City of Rocky Mount grew at an equal rate for the same period, placing our community above the group average for similar sized cities and towns in North Carolina.

The metropolitan area has seen some signs of growth tied to the delivery of incentive packages coordinated through the North Carolina Department of Commerce, N.C. Rural Center, and our local Carolinas Gateway Partnership. Hospira completed their new state-of-the-art quality and analytical testing laboratory which is responsible for evaluating and testing more than 450 different products. With the opening of the new laboratory, Hospira has added nearly 200 additional jobs to bring the total number employees to more than 2,600 in Rocky Mount. Hospira is a leading provider of injectable medicines and infusion technologies located in Rocky Mount. The \$80 million investment in the quality laboratory was made possible, in part, by local and state incentives, including a State grant from the One North Carolina fund. Hospira announced in early 2015 plans to add new lines and expansion of the facility for an additional investment of \$160 million. As of September 2015, Pfizer acquired Hospira. The acquisition of Hospira by Pfizer will position the company for the expected rapid growth in use of biosimilars, as well as make it a major player in the generic injectable market.

Nutkao USA, Inc. is operating a new 100,000 square foot building at the Whitaker Business and Industry Center with plans to create 100 jobs. Nutkao, USA is expected to invest approximately \$17 million over the next five years. Nutkao USA, Inc. is an Italian-based international company that produces hazelnut butter spreads, cocoa and cocoa/nut spreads and milk and dark chocolate spreads. The hazelnut spread market is a growing sub-category of peanut butter throughout the United States. A preliminary economic assessment of the project shows that it has the potential to generate 300 new jobs over five years, when local suppliers and contractors are combined with the full-time jobs at the plant. An economic assessment of the projects shows potential for \$82 million in direct and indirect spending over the five year period based on reports by the Carolinas Gateway Partnership. The project is made possible in part by a performance-based grant from the One North Carolina Fund.

Carolina Innovative Food Ingredients (CIFI) opened their new processing plant in 2015 with a grand opening ceremony planned for September 2015. CIFI produces sweet potato juice in both concentrated and single-strength forms, as well as dehydrated sweet potato granules and flour, all sourced from the abundant sweet potato farms of eastern North Carolina, America's leading region for sweet potato production. The business is a venture of Universal Corp., the parent company of Universal Leaf North America U.S. Inc. They invested approximately \$20 million in the facility which will be located near Universal Leaf's manufacturing facility in Nash County. The company plans to hire about 64 people. This new innovative business will benefit and strengthen the agricultural economic sector in the Twin County region.

Construction began October 2014 on Edgecombe Community College's new Biotechnology and Medical Simulation Center and is scheduled to be completed late 2015 on the college's downtown Rocky Mount campus. The Biotechnology and Simulation Center is a three-story, 45,000 square foot facility that will house fourteen of the college's health sciences programs with the capacity to add new programs. A special feature of the facility will be a simulated hospital environment to provide realistic training opportunities like emergency rooms, operating rooms, ICUs, nurses' stations, and the back of an ambulance. Edgecombe Community College is also developing the Workforce Training Center on the Tarboro campus and it will centralize training for business and industry, criminal justice, and public safety programs. The expansion at the community college will spur economic growth and recovery while training people for jobs and careers. The City is excited about the new construction because it will draw more people to the region and the increased activity will have a positive economic impact to the downtown area.

Nash UNC Health Care, Rocky Mount's hospital is in the construction phase of a 47,048 square foot, \$25 million Women's Center. The Center will include two floors of state-of-the art spaces for obstetrical and women's services. The Women's Center will include labor and delivery rooms, gynecological surgery and birthing suites. The hospital will be hiring additional nurses and physicians as part of the expansion.

Activity continues to spur within the City's downtown area. Southern Bank broke ground on a new 18,000 square foot, three-story business center building in downtown Rocky Mount. The new business center is needed as a result of recent and rapid expansion of the bank's customer base. The new facility will house the operations of both the mortgage and customer care centers that support all Southern Bank markets in North Carolina and Virginia. Bank officials identified Rocky Mount as a flagship market for their bank, and they are proud to make the investment in downtown Rocky Mount.

Other exciting news include plans to transform an abandoned, historic mill which is located on the shores of the Tar River less than a mile from downtown Rocky Mount into North Carolina's first craft beer incubator in Rocky Mount. Capital Broadcasting Co, which owns the old Rocky Mount Mills, decided to develop the former textile mill into a future brewery called the Rocky Mount Brewmill. The project will include applications to the State Historic Preservation Office and the National Park Service which will outline the vision for the physical aspects of the site. The Brewmill is a planned mixed-use office and entertainment destination. In addition to space for businesses of all types, the Brewmill is dedicating 40,000 square feet solely to the growth of NC's growing brewing industry. The renovation will include eight small breweries, which are between 1,000 to 2,000 barrels annually. They will work with Nash Community College to host some of the coursework related to the brewing, distillation, and fermentation program and the malting facility. The Brewmill will serve as an incubator for startup craft breweries, a facility for growing breweries, a school for those who want to be in the industry and a residential area for people who work on the Brewmill campus. Two home grown businesses, SpringBoard NC, Inc. and Koi Pond Brewing Company have plans to open at the Rocky Mount Brewmill. And finally, a family owned sandwich shop and brewery "Sweet Taters" will occupy a 2,100 square foot millhouse at 1121 Falls Road. The vision is for the Rocky Mount Brewmill to become a place where people will want to live,

work, and play, and it will serve to cultivate craft beer, artisan crafts as well as offer other opportunities for the community to enjoy and appreciate the outdoors, the Tar River and good food.

Ford's Colony, a 1,200 acre golf course community located in Rocky Mount, was purchased by the Halle Companies and renamed to Belmont Lake Preserve. The Belmont Lake Preserve's 18 hole championship golf course and the over 2,000 home sites are a beautiful addition to Eastern North Carolina. The company worked to construct a beautiful new 25,000 square foot club house for Belmont Lake Preserve. The club house and entertainment areas include indoor and outdoor swimming pools, fitness facility, full catering and dining facilities, and tennis courts. The Belmont Lake Preserve development added a new restaurant, the Main Course in September 2014 featuring new and traditional American fare. The Belmont Lake Preserve property is conveniently located just minutes off of I-95 and includes an 80 acre private lake. This investment project is a beneficial addition to the local community.

The City of Rocky Mount has excellent facilities to accommodate sporting events and the local economy is benefiting from the use of these facilities. The City was awarded the rights to the USA South's spring sports championships which began in 2013 and continued through the 2015 spring season. The games consist of baseball, softball, tennis, lacrosse and golf and is a competition among the 13 USA South's member institutions. The event draws more than 900 athletes and 1,000 coaches and visitors. Events like these continue to have a significant economic impact to the community.

The Governor of North Carolina and the Transportation Secretary announced in December 2013 that U.S. 64 between I-440 and I-95 near Rocky Mount has been added to the interstate highway system. The section of U.S. 64 between I-440 and I-540 on the east side of Raleigh will have the I-495 designation, while the stretch of U.S. 64 between I-540 and I-95 will be designated as Future I-495 until NCDOT widens the inside and outside shoulders to meet interstate standards. This work will be done as part of future reconstruction activities along the route. This interstate designation is critical to further economic development in the region. It will be an important part of the state's plan for future vision for transportation in North Carolina and is the key to promoting job creation and aligning infrastructure and commerce activity, which is expected to impact Rocky Mount.

In January 2014, the City of Rocky Mount was selected to participate in the Obama Administration Strong Cities, Strong Communities (SC2) Initiative. President Obama established SC2 in 2011 as an innovative and flexible program designed to strengthen local capacity, coordinate federal investments, and spark growth in economically distressed communities. The SC2 Initiative was developed through engagement with mayors, members of Congress, foundations, nonprofits and other community partners who are committed to addressing the challenges facing local governments as they work to create economic opportunity for all residents. Federal inter-agency expert teams have been deployed to work alongside city leadership, community organizations, local businesses and philanthropic foundations to support the city's visions for economic growth and development. The primary goal is to help the city more effectively invest existing resources, provide advice and expertise in support of local priorities, better align federal programs and investments, and facilitate new partnerships and peer learning opportunities. This initiative will not only strengthen the community now, but it will pave the way for lasting relationships with federal government officials. As a result of SC2, the Obama Administration selected Rocky Mount as one of 26 communities to participate in Local Foods, Local Places, a federal initiative providing technical support to integrate local food systems into community economic action plans. Under this effort, a team of agricultural, transportation, environmental, public health, and regional economic experts will work with Rocky Mount to develop specifically identified local food projects. Rocky Mount is exploring opportunities to establish a new farmers market in an economically challenged area of the city, and to develop urban community gardens on former brownfield sites and FEMA buyout lots and nearby affordable housing developments.

The Twin Counties Vision and Strategic Plan process (TCSVP) began in the fall of 2011, when Edgecombe County, Nash County, and the City of Rocky Mount embarked upon an effort to create a shared vision and a prosperous future for all residents of the Twin Counties and position the Twin Counties Region to succeed in a globally competitive economy. The project began with an extensive study circle dialogue that engaged over 360 community members in identifying ideas for a regional vision and actions for achieving it. From those visioning and action ideas, action groups developed recommendations and objectives for the strategic plan. The Twin Counties Vision and Strategic Plan was completed in the summer of 2013. Action groups have continued to meet to develop and implement the action plans. Most recently, a positive image campaign is being promoted in the area to celebrate the assets and culture of the region. Another goal was to support the local food economy in the region that makes healthy food affordable and accessible to residents. This goal is moving forward with the aforementioned Local Foods, Local Places program. The Twin Counties Vision and Strategic Plan represents a tremendous achievement for our region. The plan's message, both to its stakeholders and to business and families looking at the area, is that this community cares about its present and its future.

**Long-term financial planning.** The City is committed to budget and to expend available resources in a manner that will continue the improvement of the City's fiscal condition and protecting and building reserves for future operating and capital needs. The City focuses on planning and the implementation of strategic initiatives and investments which are designed to improve quality of life and economic development opportunities for all City residents. One of the primary commitments of the City is the long term community redevelopment program to bring back life and energy to the downtown community. Rocky Mount's Central City-focused initiatives of the past two decades have set the groundwork for the redevelopment of downtown Rocky Mount. Significant redevelopment work has been dedicated to the Douglas Block, a historic downtown area which included a budget of over \$10 million with funding provided by federal grants, a federal Section 108 loan which is being paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. The Douglas Block is also the site selected for the proposed Downtown Community Facility. The facility will be multipurpose with a specific focus on youth and amateur sports programming, including space for 16 volleyball courts, eight basketball courts, an indoor ropes course, a leadership and development center, a corporate team building environment and classrooms. Other youth and amateur tournaments, dance competitions, concerts, family shows, convention and trade shows, consumer shows, meetings and conferences would be welcome. The building is expected to add more vibrancy to downtown Rocky Mount. It will have a positive economic impact on the region, with an estimated \$264 million in new spending over ten years, the creation of 50 new jobs and 200 construction jobs. The facility is estimated to result in 46,000 additional hotel room nights per year by the fifth year. Additionally, continued emphasis on critical work for the downtown area includes the transformation of the roof grant program into the Downtown Building Assistance Program, which provides matching funds for business and property owners to repair, renovate, and upfit properties for active business use within the downtown area.

The City's annual operating budget balances projected revenues from taxes, fees, and other sources with expenditures reflecting ongoing operations, strategic initiatives and other important investments. City Council's established goals and objectives serve as the guide in decision making, along with the City's shared values of excellent public service, excellent customer service, and innovation. The City continues to work to improve the City's fiscal condition and protect City reserves, and desires to balance the budget without an increase to property tax rates to the extent possible. The City has the goal to affirm Rocky Mount as the leader of the Twin County Region by promoting and implementing aggressive initiatives to encourage residential, commercial, and industrial development in and around Rocky Mount. The City also wants to maintain competitive compensation and benefits to recruit and retain skilled and high-performing employees which are critical to maintain successful operations for the City. The City also continues to implement service delivery innovations which will improve quality of service for customers while reducing or minimizing future costs for the City.

The City continues to focus efforts on community reinvestment projects and has included funds in the City's Capital Improvement Program (CIP) budget. The goal is to improve neighborhoods and foster enhanced economic opportunity for distressed local residents. The neighborhood redevelopment project involves redevelopment through stabilization of the central city neighborhoods. Redevelopment will consist of purchasing property and demolishing structures to make way for new development. The project has a budget of approximately \$795,000 over the next five years. This is in addition to federal funds received over the past several years in an amount of over \$2 million to assist with neighborhood stabilization projects. The City also continues to fund the residential weatherization program. The project has a budget of \$1,000,000 over the next five years. These funds will be used to assist Rocky Mount utility customers with energy efficiency improvements that will reduce utility consumption and related costs.

In addition, the City has several large facility improvements that are in the CIP budget. This spring the City completed the construction of a second point of delivery station (POD) for the electrical system. The project included the new construction of the 2<sup>nd</sup> POD and the rebuild of Substation #8 which included replacing high voltage structures, insulators and switches and replacing the low side bus structure, associated circuit breakers and relays, located on the same property on Greyson Road in Rocky Mount. The POD station construction is important for providing a second source of power, thereby increasing power supply reliability. The rebuild of Substation #8 is important to ensure system reliability, reduce system losses, and provide a satisfactory level of customer service. This project was financed with installment purchase proceeds and had a cost of almost \$4 million. The City's utility systems which include electric, gas, water, and sewer utilities will continue to identify potential market expansion, facilitate economic development opportunity, and enhance efficiency and respond effectively to system challenges. Other completed items include the purchase and distribution of rollout carts for all residential recycling to allow for biweekly collection. The tennis courts at Sunset Park were reconstructed and equipped with improved courts and lighting. The City also built its first off leash Dog Park. Citizen groups helped to fund the park, which has been very well received.

The City entered the year with a commitment to fulfill obligations and pursue significant initiatives and opportunities while balancing uncertainty in costs and sources of revenues. There were improvements to ad valorem taxes and sales tax revenues. The implementation of the Tax and Tag Together program initiated by the North Carolina DMV continues to enable higher rates of collection of vehicle taxes when owners renew their registrations, which continues to generate increases in vehicle tax revenues. Continued efforts were made by staff to reduce operating costs and delay projects as needed to reduce spending and build reserves. The expenditure reduction actions included the holding of 37 vacant positions, limiting increases in operating costs, eliminating requests for new vehicle purchases, in addition to reducing CIP debt-funded expenditures in order to reduce the impact of debt payments in the coming years, and deferrals of capital projects. Departments have carefully managed positions and held vacancies when possible, managed overtime usage, monitored supplies and equipment, and employed fuel conservation measures. The 2016 budget includes provisional funding to cover the salary and benefit costs for "pay for performance" increases from 2.5% - 4.5% for all eligible full time employees. The "pay for performance" is critical to recognize the dedication and service of our employees. The 2016 budget also provides funding for implementation of a 3% increase in the salary and wage levels established by the pay grades. This will increase starting pay for vacant positions, enabling the City to be more attractive in recruiting talent to take over for anticipated growth in retirements and promotions. The long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities has enabled city management to respond effectively to the current economic climate and upcoming demands with minimal increases to the financial burden of our citizens.

The next year budget reflects funding to support and implement the City Council’s goals. The goals reflect community economic development strategies which will serve to grow the City, spur private investment, and lay a foundation for bold and transformational action. The City continues to work with its financial advisors on future financing of capital projects, debt capacity analysis, and debt affordability options. The City is considering various financing options to fund the cost of large scale projects including street improvements, housing improvements, construction of a downtown community center in the downtown area, and several other building improvements. Other goals and objectives of City Council are a youth employment program, transitioning recycling pickup to a biweekly basis, completion of the Parks & Recreation master plan, completion of a Housing Study and action plan, renovation of South Rocky Mount Community Center, and necessary demolition of dilapidated residential and commercial structures.

**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 public money market funds held at banking institutions. The average yield on all cash and investments was 0.07%.

All of the City’s investments at June 30, 2015 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2015, the City’s cash resources were invested as follows:

Cash on hand	\$ 12,025	.01%
Cash in traditional bank accounts	17,700,972	22.04%
Lease escrow funds	4,588,476	5.71%
North Carolina Capital Management Trust	<u>58,093,797</u>	72.24%
Total	<u>\$ 80,395,270</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, a 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 on the level dollar closed method basis. The remaining amortization period at December 31, 2014 was 16 years.

The State of North Carolina contributes, on behalf of 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 7.07% for employees not engaged in law enforcement and 7.41% for law enforcement officers. The State announced that the employer contribution rates for fiscal year 2016 would be 6.74% for employees not engaged in law enforcement and increase to 7.15% 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 3% of the employee's 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, 192 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The City is currently funding the benefit payments on a pay as you go basis. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

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. In the current year, there was a temporary relief period enacted by the State because of a surplus of funds so no part of the monthly contribution was applied to the death benefits. Additional information on the City's pension arrangements and postemployment benefits can be found in note 6 of the financial statements.

## **AWARDS AND ACKNOWLEDGEMENTS**

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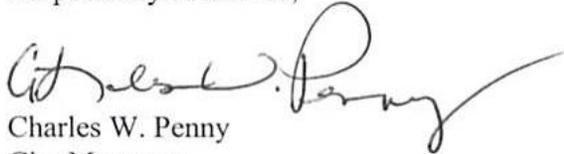
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-first consecutive 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, 2014. 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,

  
Charles W. Penny  
City Manager

  
Amy G. Staton  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Rocky Mount  
North Carolina**

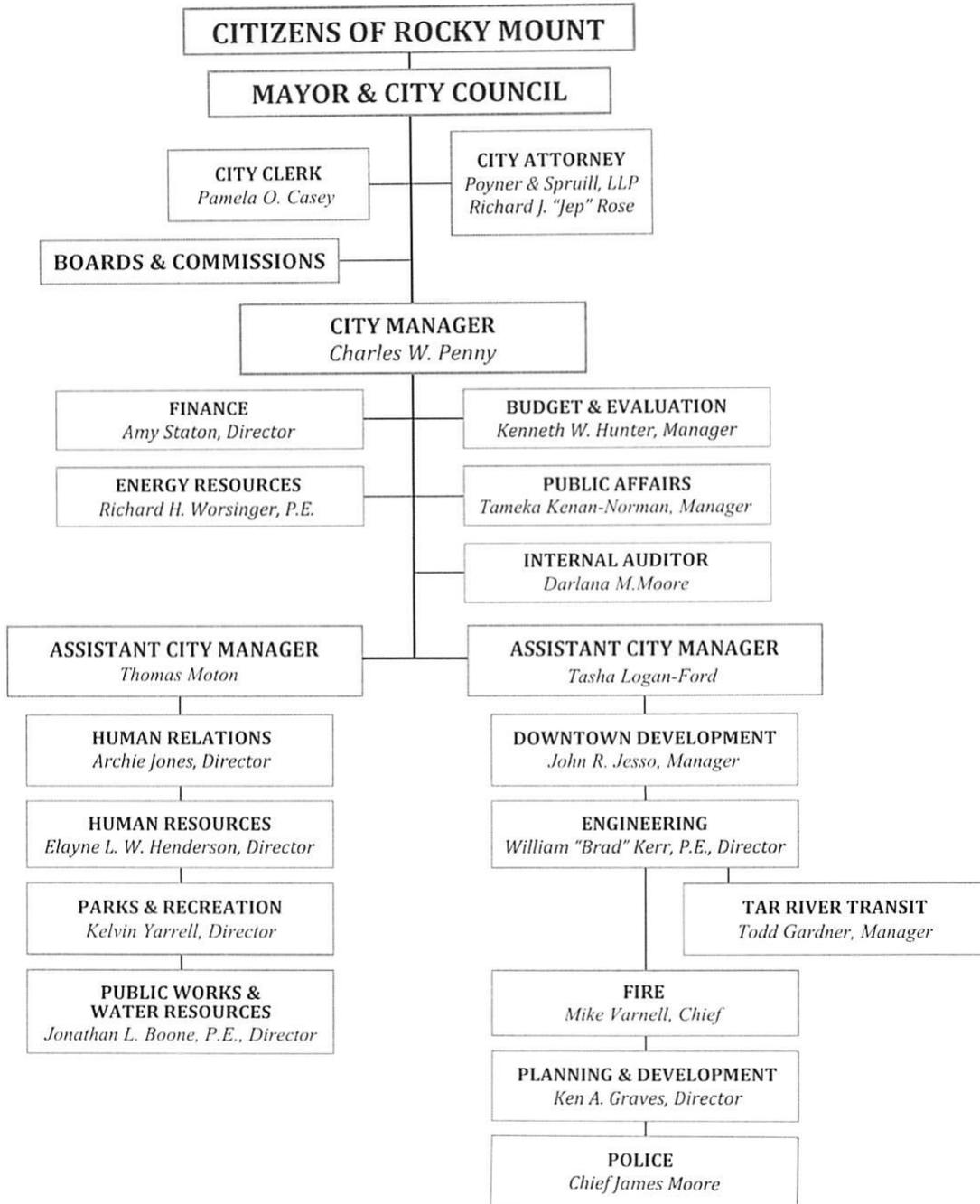
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



# Organization Chart



# **CITY OF ROCKY MOUNT, NORTH CAROLINA**

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2015**

### **CITY COUNCIL**

**David W. Combs, Mayor  
Tom Rogers, Mayor Pro-tem**

<b>Reuben C. Blackwell, IV</b>	<b>Lamont Wiggins</b>	<b>Lois Watkins</b>
<b>Andre D. Knight</b>	<b>W.B. Bullock</b>	<b>Chris Carroll Miller</b>

### **CITY ADMINISTRATION**

**Charles W. Penny, City Manager  
Tasha D. Logan, Assistant City Manager  
Thomas M. Moton, Jr., 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 AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324  
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085  
Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, and the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Asset and Contributions be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount, North Carolina's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, the supplemental ad valorem tax schedules, and other schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, the supplemental ad valorem tax schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2015 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* in considering the City of Rocky Mount's internal control over financial reporting and compliance.

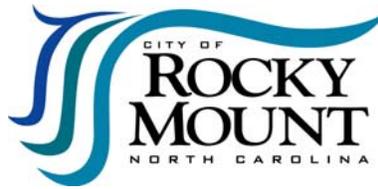
*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 19, 2015



## **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, 2015. 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

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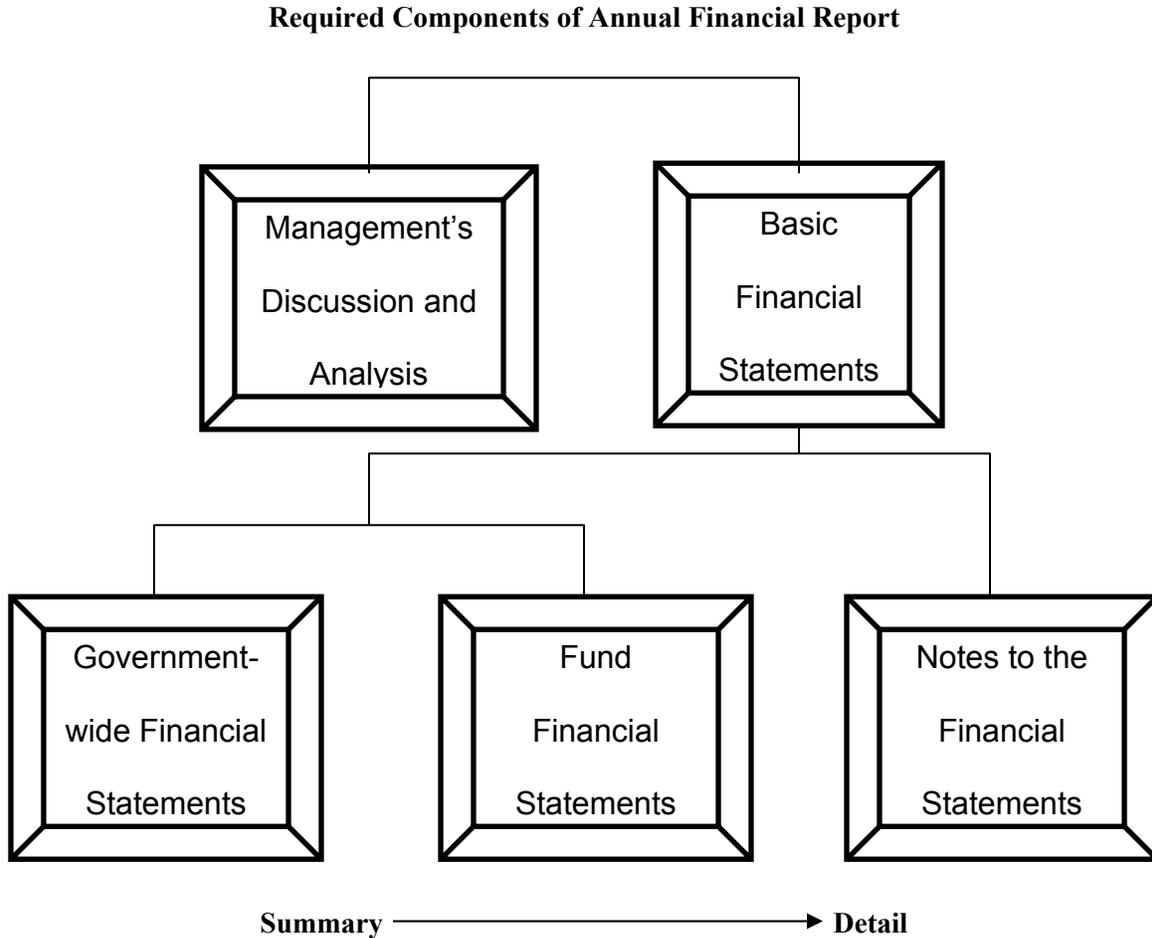
- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$306,000,208 (net position). The net position of the governmental activities is \$122,158,893 and the net position of the business-type activities is \$183,841,315.
- The government's total net position grew by 4.9% or an increase of \$14,908,016 due to growth in business-type activities net position, not inclusive of restatements related to new pension standards and the investment in joint venture. After restatement, the total net position grew by \$568,104.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$31,734,806, an increase of \$956,945 from the prior year. Approximately, 48% of this total amount or \$15,210,908 is nonspendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of \$183,841,315, an increase of \$8,120,701.
- At the end of the current fiscal year, total unassigned fund balance for the General fund was \$13,640,541 or 24% of total General fund expenditures for the fiscal 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 35 through 38) 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 39 through 53) 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 position* and the *statement of activities*. Net position is the difference between the City's total assets and deferred outflows of resources and their total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, emergency management, 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 stormwater services offered by the City.

The government-wide financial statements are on pages 35 through 38.

## Fund Financial Statements

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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 position* 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 stormwater activities. These funds are the same as those functions shown in the business-type activities in the *statement of net position* 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 internal service funds to account for two activities – its self-insured health care along with radio and telephone communications. The internal service funds have 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 stormwater activities. With the exception of the Stormwater 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**

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**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 54 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 98 of this report.

## Government-Wide Financial Analysis of the City of Rocky Mount

### Net Position

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

**Figure 2:**

### The City of Rocky Mount's Statement of Net Position

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Current and other assets	\$ 46,666,076	\$ 42,183,562	\$ 69,387,363	\$ 63,110,868	\$116,053,439	\$105,294,430
Net pension asset	3,453,952	-	1,118,762	-	4,572,714	-
Capital assets	113,644,725	120,595,828	146,719,188	148,712,426	260,363,913	269,308,254
<b>Total assets</b>	<b>163,764,753</b>	<b>162,779,390</b>	<b>217,225,313</b>	<b>211,823,294</b>	<b>380,990,066</b>	<b>374,602,684</b>
<b>Deferred outflows of resources</b>	<b>2,219,519</b>	<b>-</b>	<b>718,919</b>	<b>-</b>	<b>2,938,438</b>	<b>-</b>
Long-term liabilities	24,915,890	24,651,588	18,689,198	20,675,270	43,605,088	45,326,858
Other liabilities	9,890,238	10,000,309	12,547,101	13,714,625	22,437,339	23,714,934
<b>Total liabilities</b>	<b>34,806,128</b>	<b>34,651,897</b>	<b>31,236,299</b>	<b>34,389,895</b>	<b>66,042,427</b>	<b>69,041,792</b>
<b>Deferred inflows of resources</b>	<b>9,019,251</b>	<b>128,788</b>	<b>2,866,618</b>	<b>-</b>	<b>11,885,869</b>	<b>128,788</b>
<b>Net position:</b>						
Net investment in capital assets	96,137,124	101,937,388	132,597,894	131,834,630	228,735,018	233,772,018
Restricted	11,808,330	11,415,537			11,808,330	11,415,537
Unrestricted	14,213,439	14,645,780	51,243,421	45,598,769	65,456,860	60,244,549
<b>Total net position</b>	<b>\$ 122,158,893</b>	<b>\$ 127,998,705</b>	<b>\$ 183,841,315</b>	<b>\$ 177,433,399</b>	<b>\$306,000,208</b>	<b>\$305,432,104</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$306,000,208 as of June 30, 2015. The City's net position increased by \$14,908,016 for the fiscal year ended June 30, 2015 before restatements discussed below. The largest portion of net position, 75%, reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in 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 position, 4% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 21% may be used to meet the government's ongoing obligations to citizens and creditors. The City of Rocky Mount implemented GASB Statement 68 this year. With the new reporting change, the City is allocated its proportionate share of the Local Government Employee's Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. A restatement to record the effects of the new reporting guidance decreased net position by \$7,000,672. Decisions regarding the allocations are made by the administrators of the pension plan, not by the City of Rocky Mount's management. An additional restatement to net position, a decrease of

\$7,339,240, was made to reflect the change in reporting for the City's joint investment in the Rocky Mount-Wilson Airport.

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

- There are three components of net position: net investment in capital assets, restricted, and unrestricted. There was a decrease of \$5,037,000 in the category of net position for net investment in capital assets. The decrease in net investment in capital assets represents 3% of total current year expenses. A main reason for the decrease in net investment in capital assets is related to the change in reporting method for the City's joint venture in the Rocky Mount-Wilson Airport. In fiscal year 2015, the City shows the joint venture separately and only includes the equity interest which is 29% of the net position of the Airport. In previous years, this was shown as an inclusion of the total capital assets of the airport (net of depreciation). Another reason the net investment in capital assets decreased in total is related to a reduction in outstanding debt of approximately \$3,263,464 related to capital assets and along with a slight increase of unspent lease escrow of approximately \$350,161 related to capital assets compared to the prior year. Compared to the prior year, restricted net position increased by \$368,072. This is due to a combination of the increase in restricted for State statute related to grants receivable and an increase in the amount restricted for Powell Bill funds for streets. The unrestricted net position increased by \$5,237,032 compared to the prior year mainly as a result of net operating income after transfers in the proprietary funds for the current year with minimal increase in proprietary net investment in capital assets.
- The total increase in net position was \$14,908,016 for the year. The total increase in net position for the year was \$2,690,414 less than the growth in net position from the prior year. The change was influenced by an increase in revenues in total by \$963,495 or 0.5% compared to the prior year and an increase in expenses in total by \$3,653,909 or 1.9% compared to the prior year. The governmental activities had an increase in revenues of \$507,267 while the business type activities also experienced an increase in revenues of \$456,228. Charges for service had an increase of \$141,681 or 0.1%. There was a decrease in operating grants and contributions of \$2,033,517 or 27.5% over the prior year mainly as a result of the completion of the Belmont Lake Preserve project which reduced contributions related to that project. There was a decrease in capital grants and contributions of \$282,282 or 27% compared to the prior year due to a reduction in capital funding grants for transit.
- Ad valorem tax revenue decreased by \$151,921 compared to the prior year. The tax rate in the current year is \$0.58, per \$100 of assessed value, which was the same as the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.74% for property excluding motor vehicles, which was a slight increase compared to the prior year. The statewide average for other municipalities with an electric system and with a population of 50,000 and above is 98.33%. The statewide collection percentage is based on 2013 statewide data and is the most recent published percentage and showed an increase of 0.01%. The City is slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 1.59% of the statewide average which was a slight increase from the prior year difference. The collection percentage continues to be impacted by unemployment and economic conditions.

## Changes in Net Position

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 Position

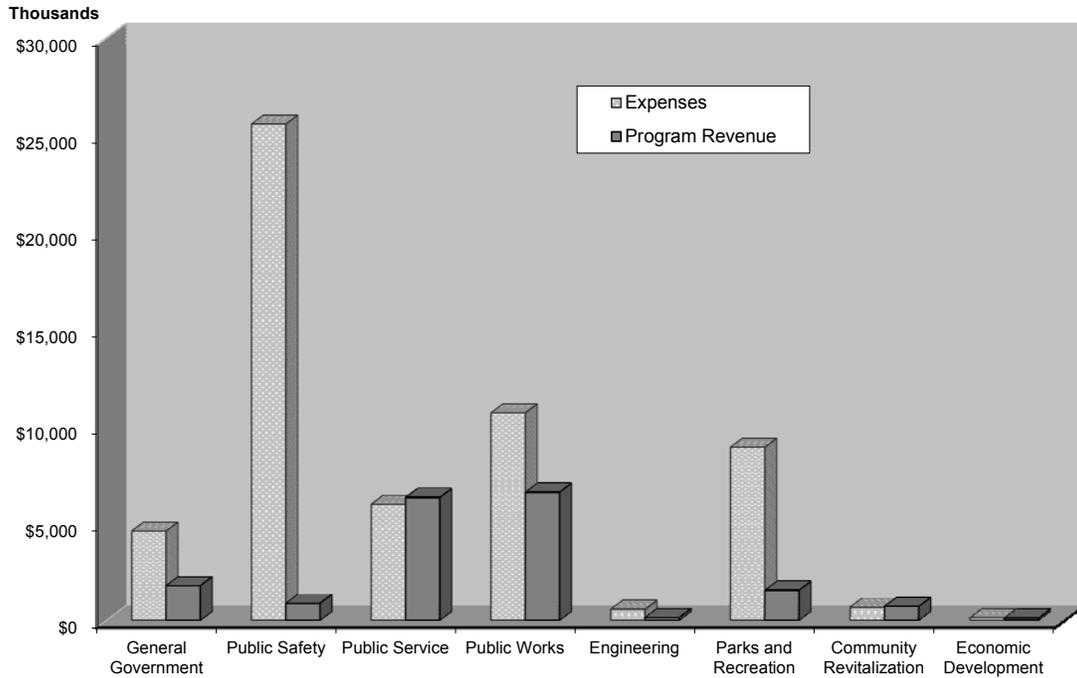
	Governmental Activities 2015	Governmental Activities 2014	Business- type Activities 2015	Business- type Activities 2014	Total 2015	Total 2014
Revenues:						
Program revenues:						
Charges for services	\$ 12,100,451	\$ 12,449,945	\$ 147,437,026	\$ 146,945,851	\$ 159,537,477	\$ 159,395,796
Operating grants and contributions	5,373,671	7,407,188	-	-	5,373,671	7,407,188
Capital grants and contributions	762,051	1,015,333	-	29,000	762,051	1,044,333
General revenues:						
Property taxes	23,283,987	23,435,908	-	-	23,283,987	23,435,908
Other taxes	14,236,646	12,943,834	-	-	14,236,646	12,943,834
Other	5,092,500	3,089,831	92,516	98,463	5,185,016	3,188,294
<b>Total Revenues</b>	<b>60,849,306</b>	<b>60,342,039</b>	<b>147,529,542</b>	<b>147,073,314</b>	<b>208,378,848</b>	<b>207,415,353</b>
Expenses:						
General government	4,615,284	9,044,265	-	-	4,615,284	9,044,265
Public safety	25,597,650	25,449,659	-	-	25,597,650	25,449,659
Parks and recreation	8,938,049	1,587,287	-	-	8,938,049	1,587,287
Public works	10,706,055	9,453,179	-	-	10,706,055	9,453,179
Engineering	583,199	814,945	-	-	583,199	814,945
Public service	5,997,352	5,951,988	-	-	5,997,352	5,951,988
Economic development	136,816	18,735	-	-	136,816	18,735
Community revitalization	699,439	860,152	-	-	699,439	860,152
Interest on long-term debt	448,397	621,151	-	-	448,397	621,151
Electric	-	-	87,658,327	89,711,665	87,658,327	89,711,665
Gas	-	-	21,526,873	21,752,958	21,526,873	21,752,958
Water	-	-	10,170,488	7,709,102	10,170,488	7,709,102
Sewer	-	-	13,050,143	13,223,459	13,050,143	13,223,459
Stormwater	-	-	3,342,760	3,618,378	3,342,760	3,618,378
Component unit	-	-	-	-	-	-
<b>Total Expenses</b>	<b>57,722,241</b>	<b>53,801,361</b>	<b>135,748,591</b>	<b>136,015,562</b>	<b>193,470,832</b>	<b>189,816,923</b>
Change in net position before transfers	3,127,065	6,540,678	11,780,951	11,057,752	14,908,016	17,598,430
Transfers	3,660,250	2,967,000	(3,660,250)	(2,967,000)	-	-
Change in Net Position	6,787,315	9,507,678	8,120,701	8,090,752	14,908,016	17,598,430
Net Position, July 1	127,998,705	118,491,027	177,433,399	169,342,647	305,432,104	287,833,674
Net Position, July 1, as restated	115,371,578	-	175,720,614	-	291,092,192	-
Net Position, June 30	\$ 122,158,893	\$ 127,998,705	\$ 183,841,315	\$ 177,433,399	\$ 306,000,208	\$ 305,432,104

**Governmental activities:** Governmental activities increased the City's net position by \$6,787,315, representing 46% of the total addition to the City's total net position. Key elements of the current year governmental activities change in net position are as follows:

- Total revenues for governmental activities increased \$507,267 or 1% compared to the prior year. This increase in revenue is the result of decreases in both operating grants and contributions of \$2,033,517 or 27% and in capital grants and contributions of \$253,282 or 25% compared to the prior year coupled with increases in both other taxes of \$1,292,812 or 10% and other revenues of \$2,002,669 or 65%. The decrease in operating grants and contributions is primarily due completion of the Belmont Lake Preserve project which lowered contributions. The decrease in capital grants and contributions compared to the prior year was due to reduced transit capital funding. Property tax revenue decreased by \$151,921 compared to the prior year. The increase in other taxes is a result of increases in both local option and utility franchise taxes. The main increase in other revenues is a result of the change for investment in joint venture for the Rocky Mount-Wilson Airport.
- Total expenses for governmental activities increased \$3,920,880 or 7%. There were slight increases in expenses for public safety, public service, and economic development. Expenses for public works increased by \$1,252,876 or 13% due to an adjustment to the allowance for uncollectible receivables and increased purchases of recycling carts. There were decreases in general government expenses of \$4,428,981 or 49% resulting from the completion of the Belmont Lake Preserve project in capital projects along with decreases in spending and an increase in the administrative service charge allowance. Parks and recreation expenses increased by \$7,350,762 compared to the prior year due to the refinance of the Imperial Centre in fiscal year 2014. Due to the new pension reporting standards, there was an adjustment for current year retirement contributions which reduced governmental activity expenses by \$2,219,519.

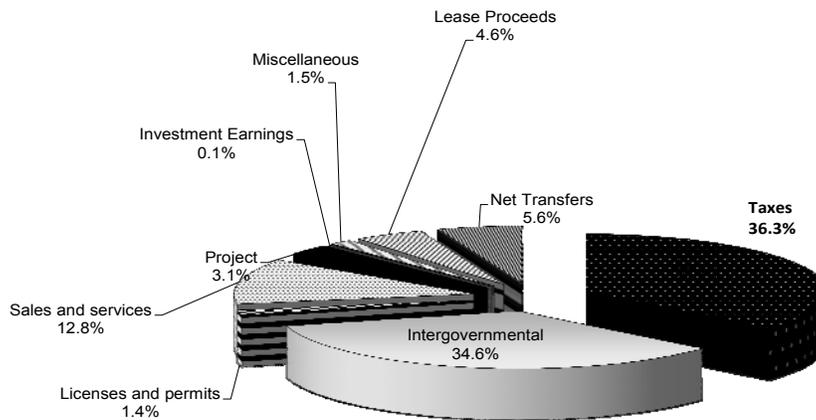
**Figure 4:**

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



**Figure 5:**

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

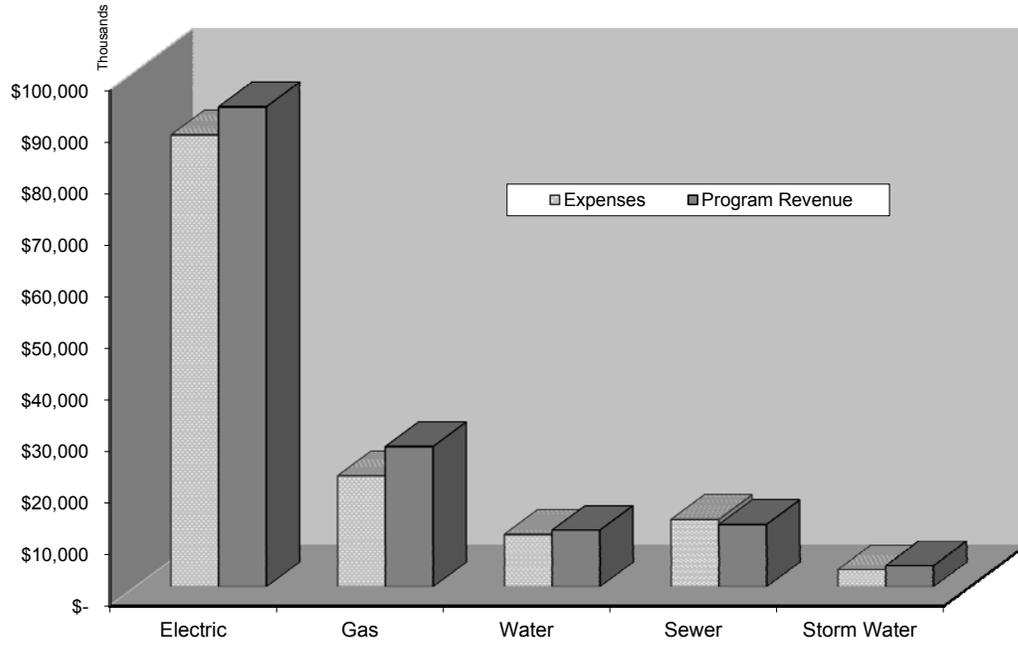


**Business-type activities:** Business-type activities increased the City's net position by \$8,120,701, representing 54% of the growth in the City's total net position. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities increased \$456,228 compared to the prior year. Charges for services for business-type activities increased by a combined \$491,175 compared to the prior year. Of this amount, electric revenue decreased by \$705,430 or 1% over the prior year. Natural gas revenue increased \$538,020 or 2% from the prior year due to increased sales demand from non-residential customers, especially as a result of recent system expansions to serve agricultural and construction businesses. These customers provide steady demand for gas services, increasing our sales during the warmer months. Water revenues decreased slightly based on customer usage. Charges for service revenues increased compared to the prior year for sewer and stormwater by \$105,378 and \$591,087, respectively. Stormwater revenues were higher due to a 17% increase in the per unit charge for services.
- Expenses for business-type activities decreased a combined \$266,971 compared to the prior year. Electric expenses decreased by \$2,053,339 or 2% mainly due to decreases in the cost of purchased power. Expenses for Gas, Sewer, and Stormwater decreased by \$226,084, \$173,316, and \$275,618, respectively. Water expenses increased by \$2,185,768 or 28% due to less capitalized expenditures which in the prior year reduced expenses.
- The business-type activities transferred net funds to the governmental funds totaling \$3,660,250. This is an increase of \$693,250 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was an increase of \$8,120,701. All business-type operations resulted in net operating income after transfers with the exceptions of Sewer. The change in net position for Electric, Gas, Water, Sewer, and Stormwater was \$3,792,659, \$3,782,252, \$674,057, \$(962,152), and \$833,885 respectively. The growth in net position for the current year was \$29,949 which added to the net position for the business-type activities.

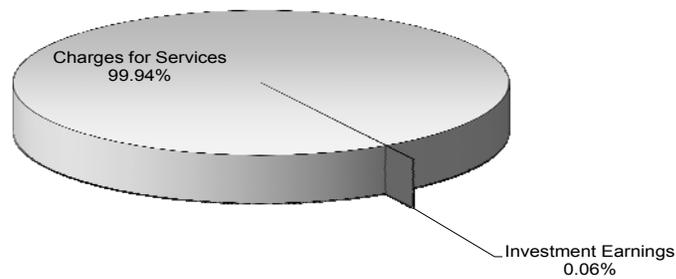
**Figure 6:**

**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

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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, unassigned 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 \$31,734,806, an increase of \$956,945 in comparison with the prior year. Of this amount, \$13,504,877, or 43% is unassigned fund balance. The unassigned fund balance is available for spending at the government's discretion. Fund balance is categorized into four other categories: nonspendable, restricted, committed, and assigned. Please refer to note 1 under the fund balance section for information about fund balance categories. The current year fund balance that is nonspendable is \$532,469. The current year fund balance that has been restricted is \$14,678,439. The current year fund balance that has been committed is \$781,608. The current year fund balance that has been assigned is \$2,237,413. A portion of the assigned fund balance, \$1,355,673, is designed for subsequent year's expenditures.

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, unassigned fund balance of the General fund was \$13,640,541 while total General fund balance was \$26,644,451. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General fund expenditures, while total fund balance represents 47% of that same amount.

At June 30, 2015, the governmental funds of the City reported a combined fund balance of \$31,764,806, a 3% increase over last year. Included in this change in fund balance is a decrease in fund balance in the General fund by \$151,913 with an increase of \$1,108,858 in the nonmajor governmental funds, with Special Revenue funds decreasing by \$249,648 and Capital Project funds increasing \$1,358,506. Within the Special Revenue funds, there was an increase in fund balance for Crime/Safety Control and decreases in all of the remaining funds. The fund balance in the Capital Project funds increased in total with both the General Capital Project fund and the General Capital Development Projects fund showing increases. Levels of fund balance in Special Revenue funds and Capital Projects funds will vary as their projects transition through various project completion phases.

**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 more than the budget amount by \$491,396. There were multiple factors contributing to the difference. Ad valorem taxes were more than budget by \$160,767. Intergovernmental revenues were more than budget by \$255,426 due to increases in sales tax and franchise tax distributions coupled with decreases in expected amount for State grants and telecommunications taxes. Licenses and permits along with sales and service revenues were slightly lower than budget, as was investment earnings. Miscellaneous revenues were more than budget by \$153,836 impacted mainly by increased rental revenues.

The actual operating expenses for the General fund were less than the budget amount by \$5,234,115. The most significant savings were realized due to funds appropriated to projects that was unspent at fiscal year end. There were efforts made by staff to reduce spending to offset any possible shortfalls in revenue. General government departments have expenditures less than the budget of \$2,159,686. Within the general government departments, the Finance department has expenditures less than the budget of \$460,072. This is primarily due to reduced operating expenses throughout the divisions of the department. The Central Services division has expenditures less than the budget of \$239,586 due to unspent capital items in the Property Management division for City Hall projects. The Mayor and Council department has expenditures less than the budget of \$204,897 which is mainly due to the contingency budget that was not expended. The Planning and Development department has expenditures less than the budget of \$629,561 which is mainly due to the funds budgeted for economic redevelopment, neighborhood redevelopment, and strategic initiatives approved by City Council not being fully expended by year end. There were budget savings within public safety with expenditures less than the budget by \$226,956. Of this amount, the Police department has expenditures less than budget of \$207,658 for operating and capital items, and the Fire department has expenditures less than budget of \$19,298. The Public Works department has expenditures less than the budget of \$842,137 in part due to unspent capital items. Of the amount unspent on capital items, \$495,506 was re-appropriated in 2016. There were savings within Public Service of \$1,810,950 as a result of not spending allocated Powell Bill funds. Of this amount, \$242,806 was re-appropriated to fiscal year 2016 for Public Service.

**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 position at the end of the fiscal year amounted to \$19,505,176 for the Electric fund, \$14,290,744 for the Gas fund, \$8,239,002 for the Water fund, \$7,123,730 for the Sewer fund, and \$2,084,769 for the Stormwater fund. The total growth of net position was \$3,792,659, \$3,782,252, \$674,057, and 833,885 for the Electric, Gas, Water, and Stormwater funds, respectively. Net position was reduced by \$962,152 for the Sewer fund. 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

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**Capital assets.** The City's capital assets for its governmental and business-type activities as of June 30, 2015, totals \$260,363,913 (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 stormwater services.

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

### Governmental Funds:

#### Additions

- Environmental Services-2015 crane carrier cab chassis (5) \$1,289,690
- Parks & Recreation-tennis court renovation \$474,327
- Transit-2015 Champion Crusader bus (6) \$282,746
- City Hall/Police-air handler replacement \$250,415
- Sidewalks \$209,346
- Engineering - traffic signal system upgrade \$197,366
- Communications-telephone system upgrade \$190,771
- Imperial Centre-Maria V Howard exhibit gallery \$164,266
- Police -2015 Dodge Charger (6) \$150,859
- Imperial Centre-arts education roof replacement \$134,092
- South Rocky Mount community center renovations \$131,675. Total expended over the life of the project \$131,675.
- Cooling tower replacement \$130,854
- E911 call center upgrade Viper software \$120,811
- Police-animal shelter facility \$101,692
- Streets-2016 International Prostar road trac \$98,106
- Sports complex playground equipment \$79,174
- Environmental Services-scale house/transfer station asphalt paving \$64,965
- Imperial Centre digital sign \$60,000
- E911 call center electrical upgrade \$59,863
- Police-2015 Chevy Tahoe (2) \$59,442
- Train station-canopy roof repair \$58,665
- Judicial center-roof repair \$57,718
- Parks & Recreation-2015 Dodge Charger (2) \$54,373
- Police-Tablets with active dock (16) \$53,152
- Police-flashback digital video system (10) \$51,630

## Proprietary Funds:

### Additions

- Electric-distribution lines underground \$325,909
- Electric-distribution lines transformers \$226,610
- Electric-2<sup>nd</sup> point of delivery station & substation #8 Greyson Road \$206,768
- Electric-distribution lines overhead \$203,895
- Electric-distribution lines new service \$50,813
- Electric-steel poles \$179,878
- Electric-2015 one service bucket truck \$165,773
- Electric-downtown streetscape \$119,691
- Electric-Country Club widening \$94,151. Total expended over the life of the project \$153,263.
- Electric-Atlantic Avenue line relocation \$53,436. Total expended over the life of the project \$122,526.
- Gas- property acquisition of 224 South Franklin Street \$750,595
- Gas mains \$662,756
- Gas meters \$121,518
- Water-rehabilitation of water tanks, Airport Road/Nash Community College \$93,831
- Sewer-non-potable water effluent turbine pump \$58,081
- Sewer-chemical transfer pump replacement \$193,000
- Stormwater-Woodstock culvert replacement \$103,825

Figure 8:

### City of Rocky Mount's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 7,567,985	\$ 8,685,345	\$ 2,866,798	\$ 2,684,187	\$ 10,434,783	\$ 11,369,532
Building	41,546,382	47,731,749	37,456,465	34,598,364	79,002,847	82,330,113
Improvements other than buildings	12,088,540	13,021,279	540,641	980,590	12,629,181	14,001,869
Machinery and equipment	12,642,474	11,161,220	21,327,939	23,654,281	33,970,413	34,815,501
Infrastructure	39,546,990	39,910,683	83,200,475	79,975,464	122,747,465	119,886,147
Construction in progress	252,354	85,552	1,326,870	6,819,540	1,579,224	6,905,092
Total Capital Assets (net of accumulated depreciation)	\$ 113,644,725	\$ 120,595,828	\$ 146,719,188	\$ 148,712,426	\$ 260,363,913	\$ 269,308,254

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

**Long-term Debt.** The City enters into installment purchase financings which have 3 year to 15 year terms for both the governmental and business-type activities. At June 30, 2015, the City had installment leases outstanding of \$27,424,133. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$200,000 for the purchase of a former YMCA facility that is being used by the City for the Senior Center, and the City has debt outstanding in the amount of \$2,075,000 for a HUD loan that has been used to finance the Douglas Block redevelopment, and debt obligations in the amount of \$1,453,760 to the North Carolina Department of Transportation for reimbursement of road improvement and construction. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities to finance the replacement and upgrade of equipment at the City’s water and wastewater treatment plants and for other sewer system improvements in the amount of \$6,518,239.

**Figure 9:**

**City of Rocky Mount’s  
Outstanding Debt - Installment Lease Payable, Other Debt, and Revolving Loans**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Installment purchases	\$ 18,578,800	\$ 18,728,008	\$ 8,845,333	\$ 11,578,877	\$ 27,424,133	\$ 30,306,885
Other debt	3,728,760	4,354,203	-	-	3,728,760	4,354,203
Revolving Loans	-	-	6,518,239	6,947,667	6,518,239	6,947,667
<b>Total</b>	<b>\$ 22,307,560</b>	<b>\$ 23,082,211</b>	<b>\$ 15,363,572</b>	<b>\$ 18,526,543</b>	<b>\$ 37,671,132</b>	<b>\$ 41,608,754</b>

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 \$320,843,274.

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 2016.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 8.9% at June 30, 2015. This is a 1.3% reduction in the unemployment rate compared to the prior year. The City of Rocky Mount and our metropolitan area experienced 7% employment growth between last August and this February, the second fastest rate of growth for North Carolina’s metropolitan areas in the same timeframe.
- Our City experienced a year of positive growth in several areas. The most notable sources of revenue growth originated from local option sales tax and from the utility sales tax implemented by the State to replace the former utilities franchise tax. Both have exceeded our projections for the current year, and the League of Municipalities believe they will maintain this year’s level, or grow slightly, in fiscal year 2016.

## **Budget Highlights for the Fiscal Year Ending June 30, 2016**

**Governmental Activities:** The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2016, the budget increased 5.7% compared to 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. Revenue growth for the coming year is limited to ad valorem tax revenues, sales tax, and fees for services. There is a \$.025 property tax rate increase budgeted in the FY 2016 which increases the rate from \$.58 to \$.605. This increase is specifically for expenses involving the development of the proposed Downtown Community Facility. Fees and charges for services remain stable. Solid waste services provided by the Public Works department represent our largest fee-supported operation in the General fund. No additional residential rate increases are necessary in 2016. However, there is a \$1 per ton increase in rates charged for use of the solid waste transfer station in order to offset increased costs of contracted disposal services. Limited growth in Powell Bill revenues limit the City's ability to resurface City roads to once per two years, with another round of resurfacing scheduled to take place in fiscal year 2016, incorporating the resurfacing allocation in this year's budget with retained fund balance from last year. This source of funding is also required to cover the City match for NCDOT-funded widening projects and sidewalk and intersection improvements funded with Congestion Mitigation and Air Quality (CMAQ) grant funds. Interest revenues continue to under perform due to historically low interest rates, a trend unlikely to change in the foreseeable future.

Budgeted expenditures in the governmental activities increased by 3.9%. City Council's established goals and objectives serve as the guide in the City's decision making, along with the shared values of excellent public service, excellent customer service, and innovation. The budget focuses available resources to continue the improvement of the City's fiscal condition and protecting reserves; to continue planning and implementation of strategic initiatives and investments designed to improve quality of life and economic development opportunities for all City residents; to affirm Rocky Mount as the leader of the Twin County Region and strengthen its position as an economic, cultural and educational center in Eastern North Carolina; to maintain competitive compensation and benefits to recruit and retain skilled and high-performing employees; and implementing service delivery innovations improving quality of service while reducing future costs. Continued initiatives funded as part of the 2016 budget include a youth employment program and "Summer Night Lights" activities along with the replacement of 2 pumper trucks for the Fire department, a replacement roof on the bus station, housing study implementation, expanded marketing of City events and activities, and improvements to Parks and Recreation facilities and playground equipment. The budget also provides funding for continuing work on catalytic projects for growth in the central City.

Employee compensation, including pay and benefits, represents 28.4% of the City's operating budget. The 2016 budget froze 28 General Fund positions and eliminated 2 full time long frozen positions. The 2016 budget does include provisional funding to cover the salary and benefit costs for "pay for performance" increases from 2.5% - 4.5% for all eligible full time employees. The "pay for performance" is critical to recognize the dedication and service of our employees. The 2016 budget also provides for implementation of a 3% increase in the salary and wage levels established by our pay grades. This will increase starting pay for vacant positions thus enabling the City to be more attractive in recruiting talent. The City provides a wellness program where employees are eligible for a discount on their health insurance premium if they participate and meet minimum requirements during a voluntary health screening program. This coming year, our biometric screening program expands to include retirees, as well as tougher requirements for discounted benefits. Capital project funding is limited; however, the priority in capital

expenditures is to provide funding to adequately complete projects that are already underway or for which a commitment has been made.

The long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities has enabled city management to respond effectively to current climate and upcoming demands with minimal increases to the financial burden of our citizens.

**Business-type Activities:** The business-type funds' fiscal year 2016 budget decreased 4.9% from the fiscal year 2015 adopted budget. Charges for service represent the largest revenues in the business-type funds. The budget for the Electric and Gas funds does not include any changes to their rates. Staff and consultants are currently reviewing rate structures for both of these utilities, preparing recommendations for rate reductions in a manner ensuring necessary resources for continued delivery of quality, reliable services. Upon completion of the asset sale to Duke Energy, the City staff will present a rate plan to council including a significant reduction in customer electricity rates. Budgeted levels for power purchases and sales are based on current rates and will be adjusted to reflect new, lower rates once adopted within the next several months. A Cost of Service Study of our natural gas utility is being reviewed at this time. Sufficient funding is in place for operational improvements, expansion of gas utilities to additional residential and industrial customers and grants to help residents lower their energy costs. Also, the Water fund continues to experience reduced sales due to decreases in usage. A 4% average increase in water rates for inside and outside city customers and a 5% average increase in sewer rates for inside city customers is included in the fiscal year 2016 budget. For an average residential customer, these rates increases will only result in an additional \$2.08 on their monthly utility bill. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments.

Budgeted expenses for business-type activities decreased less than 1%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. The City is freezing 2 positions vacant in Water Resources, 4 in Stormwater, and 3 in Energy Resources. This past year, an asset management plan evaluated the condition of our water and sewer infrastructures. Numerous capital projects in the coming years will focus on essential needs to repair and replace outdated and problematic equipment and distribution channels. One project of note is the repair of screw pumps, which are part of the wastewater treatment plant. This project will cost \$1 million over 3 years, requiring \$360,000 in fiscal year 2016. These projects will require substantial investments, primarily in current revenues, in order to complete in a timely and consistent manner. These adjustments are necessary in order to maintain integrity of the system and in fulfilling regulatory compliance requirements.

### **Requests for Information**

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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 POSITION**  
**JUNE 30, 2015**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents/ investments	\$ 20,496,802	\$ 44,079,632	\$ 64,576,434
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,601,241	-	1,601,241
Taxes-other	8,087	-	8,087
Customers	842,736	16,153,323	16,996,059
Other governmental agencies	3,563,612	-	3,563,612
Internal balances	(491,810)	491,810	-
Notes receivable	-	13,622	13,622
Assessments	3,610,238	204,955	3,815,193
Other	5,545,608	182,970	5,728,578
Prepaid items	99,000	-	99,000
Inventories	433,469	1,879,369	2,312,838
Restricted cash and investments	8,979,758	6,381,682	15,361,440
Total current assets	<u>44,688,741</u>	<u>69,387,363</u>	<u>114,076,104</u>
Noncurrent Assets:			
Net pension asset	3,453,952	1,118,762	4,572,714
Investment in joint venture - RMW Airport	1,977,335	-	1,977,335
Capital Assets:			
Nondepreciable	7,820,339	4,193,668	12,014,007
Depreciable, net	<u>105,824,386</u>	<u>142,525,520</u>	<u>248,349,906</u>
Total capital assets	<u>113,644,725</u>	<u>146,719,188</u>	<u>260,363,913</u>
Total noncurrent assets	<u>119,076,012</u>	<u>147,837,950</u>	<u>266,913,962</u>
Total assets	<u>163,764,753</u>	<u>217,225,313</u>	<u>380,990,066</u>
<b>Deferred Outflows of Resources:</b>			
Contributions to pension plan in current fiscal year	<u>2,219,519</u>	<u>718,919</u>	<u>2,938,438</u>
Total deferred outflows of resources	<u>2,219,519</u>	<u>718,919</u>	<u>2,938,438</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable and accrued expenses	3,197,245	8,602,428	11,799,673
Current compensated absences	2,037,242	513,930	2,551,172
Current maturities of long-term debt	4,655,751	3,430,743	8,086,494
Total current liabilities	<u>9,890,238</u>	<u>12,547,101</u>	<u>22,437,339</u>
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	271,674	5,139,405	5,411,079
Accrued compensated absences	1,421,447	233,554	1,655,001
Long-term debt	23,222,769	13,316,239	36,539,008
Total noncurrent liabilities	<u>24,915,890</u>	<u>18,689,198</u>	<u>43,605,088</u>
Total liabilities	<u>34,806,128</u>	<u>31,236,299</u>	<u>66,042,427</u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	68,218	-	68,218
Unspent cable franchise agreement	100,916	-	100,916
Pension deferrals	8,850,117	2,866,618	11,716,735
Total deferred inflows of resources	<u>9,019,251</u>	<u>2,866,618</u>	<u>11,885,869</u>
<b>Net Position:</b>			
Net investment in capital assets	96,137,124	132,597,894	228,735,018
Restricted for:			
Stabilization by State statute	6,930,525	-	6,930,525
Streets	4,540,832	-	4,540,832
Public safety	310,111	-	310,111
Parks and recreation	26,862	-	26,862
Unrestricted	14,213,439	51,243,421	65,456,860
Total net position	<u>\$ 122,158,893</u>	<u>\$ 183,841,315</u>	<u>\$ 306,000,208</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, 2015

	<b>Program Revenues</b>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 4,615,284	\$ 1,775,761	\$ 21,006	\$ -
Public safety	25,597,650	353,021	545,476	-
Public works	10,706,055	6,615,262	2,500	-
Engineering	583,199	11,956	145,523	-
Parks and recreation	8,938,049	1,321,850	209,088	31,883
Public service	5,997,352	2,022,601	3,595,971	730,168
Economic development	136,816	-	122,213	-
Community revitalization	699,439	-	731,894	-
Interest on long-term debt	448,397	-	-	-
Total governmental activities	<u>57,722,241</u>	<u>12,100,451</u>	<u>5,373,671</u>	<u>762,051</u>
<b>Business-Type Activities:</b>				
Electric	87,658,326	93,130,224	-	-
Gas	21,526,874	27,193,682	-	-
Water	10,170,488	10,953,543	-	-
Sewer	13,050,143	12,063,032	-	-
Storm water management	3,342,760	4,096,545	-	-
Total business-type activities	<u>135,748,591</u>	<u>147,437,026</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 193,470,832</u>	<u>\$ 159,537,477</u>	<u>\$ 5,373,671</u>	<u>\$ 762,051</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, 2015**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Functions/Programs</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (2,818,517)	\$ -	\$ (2,818,517)
Public safety	(24,699,153)	-	(24,699,153)
Public works	(4,088,293)	-	(4,088,293)
Engineering	(425,720)	-	(425,720)
Parks and recreation	(7,375,228)	-	(7,375,228)
Public service	351,388	-	351,388
Economic development	(14,603)	-	(14,603)
Community revitalization	32,455	-	32,455
Interest on long-term debt	(448,397)	-	(448,397)
Total governmental activities	<u>(39,486,068)</u>	<u>-</u>	<u>(39,486,068)</u>
<b>Business-Type Activities:</b>			
Electric	-	5,471,898	5,471,898
Gas	-	5,666,808	5,666,808
Water	-	783,055	783,055
Sewer	-	(987,111)	(987,111)
Storm water management	-	753,785	753,785
Total business-type activities	<u>-</u>	<u>11,688,435</u>	<u>11,688,435</u>
Total primary government	<u>(39,486,068)</u>	<u>11,688,435</u>	<u>(27,797,633)</u>
<b>General revenues:</b>			
<b>Taxes:</b>			
Ad valorem taxes	23,283,987	-	23,283,987
Local option taxes	9,979,384	-	9,979,384
Franchise taxes	3,549,282	-	3,549,282
Telecommunication taxes	707,980	-	707,980
Miscellaneous	5,028,768	-	5,028,768
Investment earnings	63,732	92,516	156,248
Total general revenues	<u>42,613,133</u>	<u>92,516</u>	<u>42,705,649</u>
Transfers	3,660,250	(3,660,250)	-
Total general revenues and transfers	<u>46,273,383</u>	<u>(3,567,734)</u>	<u>42,705,649</u>
Change in net position	<u>6,787,315</u>	<u>8,120,701</u>	<u>14,908,016</u>
<b>Net Position:</b>			
Beginning of year - July 1	127,998,705	177,433,399	305,432,104
Restatement	(12,627,127)	(1,712,785)	(14,339,912)
Beginning of year, as restated	<u>115,371,578</u>	<u>175,720,614</u>	<u>291,092,192</u>
End of year - June 30	<u>\$ 122,158,893</u>	<u>\$ 183,841,315</u>	<u>\$ 306,000,208</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>Major Fund</u>		<u>Nonmajor</u>		<u>Total</u>
	<u>General</u>		<u>Governmental</u>		<u>Governmental</u>
			<u>Funds</u>		<u>Funds</u>
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 18,416,263	\$	2,080,539	\$	20,496,802
Receivables, net of allowance for uncollectible accounts:					
Ad valorem taxes	1,587,642		13,599		1,601,241
Other taxes	8,087		-		8,087
Customers	842,736		-		842,736
Other governmental agencies	2,913,086		650,526		3,563,612
Due from other funds	88,532		-		88,532
Assessments	3,610,238		-		3,610,238
Other	5,235,031		302,365		5,537,396
Prepaid items	-		99,000		99,000
Inventories	433,469		-		433,469
Restricted cash and investments	5,508,254		2,174,361		7,682,615
Total assets	<u>\$ 38,643,338</u>	<u>\$</u>	<u>5,320,390</u>	<u>\$</u>	<u>43,963,728</u>
<b>Liabilities, Deferred Inflows, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 2,759,105	\$	141,516	\$	2,900,621
Due to other funds	491,810		74,366		566,176
Liabilities to be paid from restricted assets	271,120		554		271,674
Total liabilities	<u>3,522,035</u>		<u>216,436</u>		<u>3,738,471</u>
<b>Deferred Inflows of Resources:</b>					
Assessments receivable	3,610,238		-		3,610,238
Taxes receivable	1,587,642		13,599		1,601,241
Miscellaneous receivables	3,109,838		-		3,109,838
Prepaid taxes	68,218		-		68,218
Unspent cable franchise agreement	100,916		-		100,916
Total deferred inflows of resources	<u>8,476,852</u>		<u>13,599</u>		<u>8,490,451</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories	433,469	-	433,469
Prepaid items		99,000	99,000
<b>Restricted:</b>			
Stabilization by State statute	5,977,634	952,891	6,930,525
Streets	4,540,832	-	4,540,832
Future capital projects	696,302	2,173,807	2,870,109
Public safety	-	310,111	310,111
Parks and recreation	-	26,862	26,862
<b>Committed:</b>			
Public service	-	574,086	574,086
Future capital projects	-	207,522	207,522
<b>Assigned:</b>			
Subsequent year's expenditures	1,355,673	-	1,355,673
Capital projects	-	881,740	881,740
<b>Unassigned:</b>			
General fund	13,640,541	-	13,640,541
Public safety		(32,316)	(32,316)
Community revitalization	-	(101,913)	(101,913)
Economic development	-	(1,435)	(1,435)
Total fund balances	<u>26,644,451</u>	<u>5,090,355</u>	<u>31,734,806</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,643,338</u>	<u>\$ 5,320,390</u>	<u>\$ 43,963,728</u>

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

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

Ending fund balance-governmental funds	\$ 31,734,806
Net pension asset	3,453,952
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	113,644,725
Investment in joint venture is not financial resources and, therefore is not reported in the funds.	1,977,335
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	2,219,519
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	8,321,317
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 position.	745,309
Assets and liabilities of the communications fund used by management to account for certain telephone and radio costs are included in the governmental activities in the statement of net position	437,291
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(27,878,520)
Compensated absences	(3,458,689)
Claims and judgments	(188,035)
Pension deferrals	<u>(8,850,117)</u>
Net position of governmental activities	<u>\$ 122,158,893</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, 2015

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 23,415,767	\$ 81,145	\$ 23,496,912
Intergovernmental	18,813,819	3,617,605	22,431,424
Licenses and permits	891,336	-	891,336
Sales and service	8,303,246	-	8,303,246
Project	-	2,026,322	2,026,322
Investment earnings	61,815	1,918	63,733
Miscellaneous	939,902	25,341	965,243
Total revenues	<u>52,425,885</u>	<u>5,752,331</u>	<u>58,178,216</u>
<b>Expenditures:</b>			
Current:			
General government	4,809,567	97,114	4,906,681
Public safety	26,136,811	284,550	26,421,361
Public works	11,056,678	-	11,056,678
Engineering	999,738	-	999,738
Parks and recreation	8,749,434	843,246	9,592,680
Public service	701,330	5,061,866	5,763,196
Community revitalization	-	699,439	699,439
Economic development	-	136,816	136,816
Debt service:			
Principal	3,791,484	72,500	3,863,984
Interest	409,987	37,961	447,948
Total expenditures	<u>56,655,029</u>	<u>7,233,492</u>	<u>63,888,521</u>
Revenues over (under) expenditures	<u>(4,229,144)</u>	<u>(1,481,161)</u>	<u>(5,710,305)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(944,769)	(500,000)	(1,444,769)
Transfers from other funds	4,225,000	880,019	5,105,019
Installment purchase financing issued	797,000	2,210,000	3,007,000
Total other financing sources (uses)	<u>4,077,231</u>	<u>2,590,019</u>	<u>6,667,250</u>
Net change in fund balances	(151,913)	1,108,858	956,945
<b>Fund balance:</b>			
Beginning of year, July 1	26,796,364	3,981,497	30,777,861
End of year, June 30	<u>\$ 26,644,451</u>	<u>\$ 5,090,355</u>	<u>\$ 31,734,806</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, 2015**

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)	\$ 956,945
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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.

Capital outlay	7,094,717
Depreciation	(6,355,213)
Basis of disposed/transferred capital assets	(351,365)
Investment in joint venture	1,977,335

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,219,519
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	615,341
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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.	180,084
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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 position. 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.

Other post employment benefit net obligation	(440,680)
Pension expense	(108,278)
Debt issuance	(3,483,000)
Debt retirement	3,877,206

A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	178,476
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A portion of the revenue and expenditures reported in the communications fund has been allocated to governmental activities	<u>426,228</u>
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Changes in net position of governmental activities	<u>\$ 6,787,315</u>
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*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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 23,255,000	\$ 23,255,000	\$ 23,415,767	\$ 160,767
Intergovernmental	18,404,500	18,558,393	18,813,819	255,426
Licenses and permits	909,300	909,300	891,336	(17,964)
Sales and service	8,275,800	8,355,800	8,303,246	(52,554)
Investment earnings	69,930	69,930	61,815	(8,115)
Miscellaneous	682,700	786,066	939,902	153,836
Total revenues	<u>51,597,230</u>	<u>51,934,489</u>	<u>52,425,885</u>	<u>491,396</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Mayor and council	444,960	396,724	191,827	204,897
City clerk	148,770	151,420	112,879	38,541
Community services	396,720	581,024	612,010	(30,986)
City manager	491,690	512,861	494,183	18,678
Public affairs	106,580	143,130	85,091	58,039
Downtown development	160,700	268,432	108,993	159,439
Finance	486,540	549,927	89,855	460,072
Central services	473,820	865,895	626,309	239,586
Planning and development	2,245,310	2,455,337	1,825,776	629,561
Human resources	1,258,180	713,373	334,795	378,578
Human relations	316,030	331,130	327,849	3,281
Total general government	<u>6,529,300</u>	<u>6,969,253</u>	<u>4,809,567</u>	<u>2,159,686</u>
<b>Public Safety:</b>				
Police	15,472,470	15,545,202	15,337,544	207,658
Fire	10,498,180	10,818,565	10,799,267	19,298
Total public safety	<u>25,970,650</u>	<u>26,363,767</u>	<u>26,136,811</u>	<u>226,956</u>
<b>Public Works:</b>				
Administration	150,330	150,330	146,381	3,949
Street and ROW maintenance	2,207,410	2,167,560	2,019,485	148,075
Housing code enforcement	955,650	940,198	934,126	6,072
Environmental service	7,201,210	8,539,442	7,930,630	608,812
Fleet maintenance	26,430	101,285	26,056	75,229
Total public works	<u>10,541,030</u>	<u>11,898,815</u>	<u>11,056,678</u>	<u>842,137</u>
<b>Engineering:</b>				
Administration	548,390	534,390	499,920	34,470
Traffic	533,730	527,730	499,818	27,912
Total engineering	<u>1,082,120</u>	<u>1,062,120</u>	<u>999,738</u>	<u>62,382</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Parks and Recreation:</b>				
Administration	592,520	672,438	650,709	21,729
Athletics	604,390	575,290	568,169	7,121
Cultural arts	683,550	862,088	840,715	21,373
Amusements and special events	329,690	326,780	301,709	25,071
Museum	508,390	444,505	443,425	1,080
Parks maintenance	2,196,440	2,229,171	2,210,126	19,045
Cemetery operations	474,560	436,310	434,690	1,620
Outdoor programs	201,770	139,184	136,226	2,958
Neighborhood programs	968,000	949,518	945,605	3,913
Senior programs	488,540	530,363	513,472	16,891
Sports complex	663,940	763,233	763,003	230
Imperial Centre	668,660	943,840	941,585	2,255
Total parks and recreation	<u>8,380,450</u>	<u>8,872,720</u>	<u>8,749,434</u>	<u>123,286</u>
Public service	<u>2,042,000</u>	<u>2,512,280</u>	<u>701,330</u>	<u>1,810,950</u>
<b>Debt service:</b>				
Principal	3,791,484	3,791,484	3,791,484	-
Interest	391,196	418,705	409,987	8,718
Total debt service	<u>4,182,680</u>	<u>4,210,189</u>	<u>4,201,471</u>	<u>8,718</u>
Total expenditures	<u>58,728,230</u>	<u>61,889,144</u>	<u>56,655,029</u>	<u>5,234,115</u>
Revenues over (under) expenditures	<u>(7,131,000)</u>	<u>(9,954,655)</u>	<u>(4,229,144)</u>	<u>5,725,511</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(427,000)	(1,277,320)	(944,769)	332,551
Transfers from other funds	4,600,000	4,600,000	4,225,000	(375,000)
Installment purchase financing used	1,758,000	1,758,000	797,000	(961,000)
Total other financing sources (uses)	<u>5,931,000</u>	<u>5,080,680</u>	<u>4,077,231</u>	<u>(1,003,449)</u>
Fund balance appropriated	<u>1,200,000</u>	<u>4,873,975</u>	<u>-</u>	<u>(4,873,975)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(151,913)</u>	<u>\$ (151,913)</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>26,796,364</u>	
End of year, June 30			<u>\$ 26,644,451</u>	

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

Business-Type Activities

	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 14,751,782	\$ 13,264,813	\$ 7,756,131	\$ 6,189,395
Restricted cash and investments	3,443,547	1,278,111	627,669	778,717
Due from other funds	-	491,810	-	-
Receivables - net:				
Assessments	-	-	82,746	122,209
Customers	11,936,549	1,146,980	1,230,117	1,369,867
Notes receivable	-	-	13,622	-
Other	121,690	19,194	14,481	27,605
Inventories	1,657,702	84,706	129,351	7,610
Total current assets	<u>31,911,270</u>	<u>16,285,614</u>	<u>9,854,117</u>	<u>8,495,403</u>
Noncurrent Assets:				
Net pension asset	350,723	115,428	288,569	190,900
Capital Assets:				
Capital assets, nondepreciable	1,210,576	191,337	1,193,467	848,925
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>37,536,324</u>	<u>18,443,605</u>	<u>30,005,670</u>	<u>53,126,719</u>
Total capital assets (net of accumulated depreciation)	<u>38,746,900</u>	<u>18,634,942</u>	<u>31,199,137</u>	<u>53,975,644</u>
Total noncurrent assets:	<u>39,097,623</u>	<u>18,750,370</u>	<u>31,487,706</u>	<u>54,166,544</u>
Total assets	<u>\$ 71,008,893</u>	<u>\$ 35,035,984</u>	<u>\$ 41,341,823</u>	<u>\$ 62,661,947</u>
<b>Deferred Outflows of Resources</b>				
Contributions to pension plan	225,376	74,174	185,435	122,673
Total deferred outflows of resources	<u>225,376</u>	<u>74,174</u>	<u>185,435</u>	<u>122,673</u>
<b>Liabilities and Net Position:</b>				
Current Liabilities:				
Accounts payable and accrued expenditures	\$ 7,904,327	\$ 377,135	\$ 181,056	\$ 94,906
Due to other funds	-	-	-	-
Current accrued compensated absences	204,698	51,679	107,107	92,542
Current maturities of long-term debt	1,309,932	282,866	318,888	1,098,975
Total current liabilities	<u>9,418,957</u>	<u>711,680</u>	<u>607,051</u>	<u>1,286,423</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	3,193,051	1,278,111	627,669	6,978
Accrued compensated absences	82,668	33,208	48,332	32,189
Noncurrent portion of long-term debt	2,636,972	387,238	1,147,502	8,442,529
Total noncurrent liabilities	<u>5,912,691</u>	<u>1,698,557</u>	<u>1,823,503</u>	<u>8,481,696</u>
Total liabilities	<u>15,331,648</u>	<u>2,410,237</u>	<u>2,430,554</u>	<u>9,768,119</u>
<b>Deferred Inflows of Resources</b>				
Pension deferrals	898,662	295,762	739,406	489,145
Total deferred inflows of resources	<u>898,662</u>	<u>295,762</u>	<u>739,406</u>	<u>489,145</u>
<b>Net Position:</b>				
Net investment in capital assets	35,498,783	18,113,415	30,118,296	45,403,626
Unrestricted	19,505,176	14,290,744	8,239,002	7,123,730
Total net position	<u>\$ 55,003,959</u>	<u>\$ 32,404,159</u>	<u>\$ 38,357,298</u>	<u>\$ 52,527,356</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit G

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

Governmental  
 Activities

	<u>Other Nonmajor Fund Storm Water Management</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Internal Service Funds</u>
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents/investments	\$ 2,117,511	\$ 44,079,632	\$ -
Restricted cash and investments	253,638	6,381,682	1,297,143
Due from other funds	-	491,810	-
Receivables - net:			
Assessments	-	204,955	-
Customers	469,810	16,153,323	-
Notes receivable	-	13,622	-
Other	-	182,970	8,212
Inventories	-	1,879,369	-
Total current assets	<u>2,840,959</u>	<u>69,387,363</u>	<u>1,305,355</u>
Noncurrent Assets:			
Net pension asset	<u>173,142</u>	<u>1,118,762</u>	<u>-</u>
Capital Assets:			
Capital assets, nondepreciable	749,363	4,193,668	-
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>3,413,202</u>	<u>142,525,520</u>	<u>529,437</u>
Total capital assets (net of accumulated depreciation)	<u>4,162,565</u>	<u>146,719,188</u>	<u>529,437</u>
Total noncurrent assets:	<u>4,335,707</u>	<u>147,837,950</u>	<u>529,437</u>
Total assets	<u>\$ 7,176,666</u>	<u>\$ 217,225,313</u>	<u>\$ 1,834,792</u>
<b>Deferred Outflows of Resources</b>			
Contributions to pension plan	<u>111,261</u>	<u>718,919</u>	<u>-</u>
Total deferred outflows of resources	<u>111,261</u>	<u>718,919</u>	<u>-</u>
<b>Liabilities and Net Position:</b>			
Current Liabilities:			
Accounts payable and accrued expenditures	\$ 45,004	\$ 8,602,428	\$ 108,589
Due to other funds	-	-	14,166
Current accrued compensated absences	57,904	513,930	6,660
Current maturities of long-term debt	<u>420,082</u>	<u>3,430,743</u>	<u>158,667</u>
Total current liabilities	<u>522,990</u>	<u>12,547,101</u>	<u>288,082</u>
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	33,596	5,139,405	-
Accrued compensated absences	37,157	233,554	4,403
Noncurrent portion of long-term debt	<u>701,998</u>	<u>13,316,239</u>	<u>304,111</u>
Total noncurrent liabilities	<u>772,751</u>	<u>18,689,198</u>	<u>308,514</u>
Total liabilities	<u>1,295,741</u>	<u>31,236,299</u>	<u>596,596</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	<u>443,643</u>	<u>2,866,618</u>	<u>-</u>
Total deferred inflows of resources	<u>443,643</u>	<u>2,866,618</u>	<u>-</u>
<b>Net Position:</b>			
Net investment in capital assets	3,463,774	132,597,894	542,749
Unrestricted	<u>2,084,769</u>	<u>51,243,421</u>	<u>695,447</u>
Total net position	<u>\$ 5,548,543</u>	<u>\$ 183,841,315</u>	<u>\$ 1,238,196</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities</b>			
	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 91,929,928	\$ 26,993,761	\$ 10,664,276	\$ 11,756,097
Licenses and permits	-	-	61,813	50,506
Other operating revenues	1,129,416	199,921	216,679	256,429
Total operating revenues	<u>93,059,344</u>	<u>27,193,682</u>	<u>10,942,768</u>	<u>12,063,032</u>
<b>Operating Expenses:</b>				
Distribution systems	82,378,304	20,461,375	-	-
Treatment plants	-	-	5,504,526	6,892,596
Engineering	1,477,589	-	-	-
Support services	-	-	2,889,663	2,941,233
Energy services	1,172,870	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Communications	-	-	-	-
Depreciation and amortization	1,840,894	792,043	1,603,900	1,929,825
Total operating expenses	<u>86,869,657</u>	<u>21,253,418</u>	<u>9,998,089</u>	<u>11,763,654</u>
Operating income (loss)	<u>6,189,687</u>	<u>5,940,264</u>	<u>944,679</u>	<u>299,378</u>
<b>Nonoperating Revenues (Expenses):</b>				
Other	70,880	-	10,775	-
Investment earnings	20,761	15,444	16,002	35,209
Gain (loss) on disposal of capital assets	(503,789)	-	(5,718)	(864,971)
Interest expense	(66,924)	(9,106)	(46,111)	(220,558)
Appropriation to school system	(217,956)	(264,350)	(120,570)	(200,960)
Total nonoperating revenues (expenses)	<u>(697,028)</u>	<u>(258,012)</u>	<u>(145,622)</u>	<u>(1,251,280)</u>
Income (loss) before capital contributions and transfers	<u>5,492,659</u>	<u>5,682,252</u>	<u>799,057</u>	<u>(951,902)</u>
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,700,000)	(1,900,000)	(125,000)	(10,250)
Total capital contributions and transfers	<u>(1,700,000)</u>	<u>(1,900,000)</u>	<u>(125,000)</u>	<u>(10,250)</u>
Change in net position	3,792,659	3,782,252	674,057	(962,152)
<b>Net Position:</b>				
Beginning of year - July 1, previously reported	51,748,245	28,798,623	38,125,031	53,781,769
Restatement	(536,945)	(176,716)	(441,790)	(292,261)
Beginning of year - July 1, restated	<u>51,211,300</u>	<u>28,621,907</u>	<u>37,683,241</u>	<u>53,489,508</u>
End of year - June 30	<u>\$ 55,003,959</u>	<u>\$ 32,404,159</u>	<u>\$ 38,357,298</u>	<u>\$ 52,527,356</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit H

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>Governmental Activities</b>		
	<b>Other Nonmajor Fund</b>	<b>Total Business-Type Activities</b>	<b>Internal Service Funds</b>
	<b>Storm Water Management</b>	<b>Enterprise</b>	
<b>Operating Revenues:</b>			
Charges for sales and services	\$ 4,040,905	\$ 145,384,967	\$ 7,901,856
Licenses and permits	-	112,319	-
Other operating revenues	55,640	1,858,085	-
Total operating revenues	<u>4,096,545</u>	<u>147,355,371</u>	<u>7,901,856</u>
<b>Operating Expenses:</b>			
Distribution systems	-	102,839,679	-
Treatment plants	-	12,397,122	-
Engineering	-	1,477,589	-
Support services	884,557	6,715,453	-
Energy services	-	1,172,870	-
Storm water operations	2,109,104	2,109,104	-
Insurance claims	-	-	4,935,133
Cost of service and administration	-	-	1,781,838
Communications	-	-	816,611
Depreciation and amortization	328,938	6,495,600	21,262
Total operating expenses	<u>3,322,599</u>	<u>133,207,417</u>	<u>7,554,844</u>
Operating income (loss)	<u>773,946</u>	<u>14,147,954</u>	<u>347,012</u>
<b>Nonoperating Revenues (Expenses):</b>			
Other	-	81,655	-
Investment earnings	5,100	92,516	-
Gain (loss) on disposal of capital assets	-	(1,374,478)	324,800
Interest expense	(20,161)	(362,860)	(449)
Appropriation to school system	-	(803,836)	-
Total nonoperating revenues (expenses)	<u>(15,061)</u>	<u>(2,367,003)</u>	<u>324,351</u>
Income (loss) before capital contributions and transfers	<u>758,885</u>	<u>11,780,951</u>	<u>671,363</u>
Transfers from other funds	75,000	75,000	-
Transfers to other funds	-	(3,735,250)	-
Total capital contributions and transfers	<u>75,000</u>	<u>(3,660,250)</u>	<u>-</u>
Change in net position	833,885	8,120,701	671,363
<b>Net Position:</b>			
Beginning of year - July 1, previously reported	4,979,731	177,433,399	566,833
Restatement	(265,073)	(1,712,785)	-
Beginning of year - July 1, restated	<u>4,714,658</u>	<u>175,720,614</u>	<u>566,833</u>
End of year - June 30	<u>\$ 5,548,543</u>	<u>\$ 183,841,315</u>	<u>\$ 1,238,196</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit I  
Page 1 of 4

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 91,471,898	\$ 26,737,868	\$ 10,830,304	\$ 12,003,206
Payments to suppliers for goods and services	(79,908,929)	(19,169,407)	(5,377,635)	(7,591,228)
Payments to or on behalf of employees	(4,880,202)	(1,563,338)	(3,072,409)	(2,333,613)
Net cash provided (used) by operating activities	<u>6,682,767</u>	<u>6,005,123</u>	<u>2,380,260</u>	<u>2,078,365</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers to other funds	(1,700,000)	(1,900,000)	(125,000)	(10,250)
Transfers from other funds	-	-	-	-
Payments due (from) to other funds	-	-	-	-
Appropriation to school system	(217,956)	(264,350)	(120,570)	(200,960)
Net cash provided (used) by noncapital financing activities	<u>(1,917,956)</u>	<u>(2,164,350)</u>	<u>(245,570)</u>	<u>(211,210)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Debt issued	245,000	-	-	772,000
Acquisition and construction of capital assets	(2,028,545)	(3,048,061)	(382,506)	(165,955)
Interest paid	(66,924)	(9,106)	(46,111)	(220,558)
Insurance recovery	70,629	-	10,775	-
Proceeds from grants and subsidies and contributions	250	-	-	-
Principal payments on long-term debt	(1,403,167)	(279,066)	(954,159)	(1,336,615)
Net cash provided (used) by capital and related financing activities	<u>(3,182,757)</u>	<u>(3,336,233)</u>	<u>(1,372,001)</u>	<u>(951,128)</u>
<b>Cash Flows From Investing Activities:</b>				
Investment earnings	<u>20,761</u>	<u>15,444</u>	<u>16,002</u>	<u>35,209</u>
Net cash provided (used) by investing activities	<u>20,761</u>	<u>15,444</u>	<u>16,002</u>	<u>35,209</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>1,602,815</u>	<u>519,984</u>	<u>778,691</u>	<u>951,236</u>
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year, July 1	<u>16,592,514</u>	<u>14,022,940</u>	<u>7,605,109</u>	<u>6,016,876</u>
End of year, June 30	<u>\$ 18,195,329</u>	<u>\$ 14,542,924</u>	<u>\$ 8,383,800</u>	<u>\$ 6,968,112</u>
Cash and cash equivalents/investments	\$ 14,751,782	\$ 13,264,813	\$ 7,756,131	\$ 6,189,395
Restricted cash and investments	<u>3,443,547</u>	<u>1,278,111</u>	<u>627,669</u>	<u>778,717</u>
	<u>\$ 18,195,329</u>	<u>\$ 14,542,924</u>	<u>\$ 8,383,800</u>	<u>\$ 6,968,112</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit I

Page 2 of 4

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

Governmental  
 Activities

	Other Nonmajor Fund		Internal Service Funds
	Storm Water Management	Total	
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 4,116,704	\$ 145,159,980	\$ 7,903,825
Payments to suppliers for goods and services	(1,332,727)	(113,379,926)	(7,379,065)
Payments to or on behalf of employees	(1,942,412)	(13,791,974)	(165,500)
Net cash provided (used) by operating activities	<u>841,565</u>	<u>17,988,080</u>	<u>359,260</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers to other funds	-	(3,735,250)	-
Transfers from other funds	75,000	75,000	-
Payments due (from) to other funds	-	-	14,166
Appropriation to school system	-	(803,836)	-
Net cash provided (used) by noncapital financing activities	<u>75,000</u>	<u>(4,464,086)</u>	<u>14,166</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Debt issued	220,000	1,237,000	476,000
Acquisition and construction of capital assets	(251,772)	(5,876,839)	(225,899)
Interest paid	(20,161)	(362,860)	(449)
Insurance recovery	-	81,404	-
Proceeds from grants and subsidies	-	250	-
Principal payments on long-term debt	(426,966)	(4,399,973)	(13,222)
Net cash provided (used) by capital and related financing activities	<u>(478,899)</u>	<u>(9,321,018)</u>	<u>236,430</u>
<b>Cash Flows From Investing Activities:</b>			
Investment earnings	5,100	92,516	-
Net cash provided (used) by investing activities	<u>5,100</u>	<u>92,516</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>442,766</u>	<u>4,295,492</u>	<u>609,856</u>
<b>Cash and Cash Equivalents/Investments:</b>			
Beginning of year, July 1	<u>1,928,383</u>	<u>46,165,822</u>	<u>687,287</u>
End of year, June 30	<u>\$ 2,371,149</u>	<u>\$ 50,461,314</u>	<u>\$ 1,297,143</u>
Cash and cash equivalents/investments	\$ 2,117,511	\$ 44,079,632	\$ -
Restricted cash and investments	253,638	6,381,682	1,297,143
	<u>\$ 2,371,149</u>	<u>\$ 50,461,314</u>	<u>\$ 1,297,143</u>

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ 6,189,687	\$ 5,940,264	\$ 944,679	\$ 299,378
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation and amortization	1,840,894	792,043	1,603,900	1,929,825
Pension expense	10,995	3,619	9,046	5,985
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in receivables and assessments	(1,648,225)	(548,274)	(70,938)	(59,611)
(Increase) decrease in inventories	293,991	14,228	(180)	(1,209)
(Increase) decrease in deferred outflows of resources for pensions	(225,376)	(74,174)	(185,435)	(122,673)
Increase (decrease) in accounts payable and accrued expenses	127,652	(232,158)	75,239	1,309
Increase (decrease) in liabilities to be paid from restricted assets	60,779	92,460	(41,526)	(215)
Increase (decrease) in accrued compensated absences and other accrued liabilities	32,370	17,115	45,475	25,576
Net cash provided (used) by operating activities	<u>\$ 6,682,767</u>	<u>\$ 6,005,123</u>	<u>\$ 2,380,260</u>	<u>\$ 2,078,365</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit I

Page 4 of 4

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

Governmental  
 Activities

	Other Nonmajor Fund		Internal Service Funds
	Storm Water Management	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ 773,946	\$ 14,147,954	\$ 347,012
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and amortization	328,938	6,495,600	21,262
Pension expense	5,428	35,073	-
<b>Change in Assets and Liabilities:</b>			
(Increase) decrease in receivables and assessments	39,210	(2,287,838)	1,969
(Increase) decrease in inventories	-	306,830	-
(Increase) decrease in deferred outflows of resources for pensions	(111,261)	(718,919)	-
Increase (decrease) in accounts payable and accrued expenses	(205,625)	(233,583)	(22,046)
Increase (decrease) in liabilities to be paid from restricted assets	(19,051)	92,447	-
Increase (decrease) in accrued compensated absences and other accrued liabilities	29,980	150,516	11,063
Net cash provided (used) by operating activities	<u>\$ 841,565</u>	<u>\$ 17,988,080</u>	<u>\$ 359,260</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 457,396
Accounts receivable	\$ 247
Total assets	<u>\$ 457,643</u>
<b>Liabilities:</b>	
Due to other agencies	\$ 457,643
Total liabilities	<u>\$ 457,643</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, 2015

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Rocky Mount (the "City") conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Council (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. The City was incorporated on February 19, 1867. The City has a population of approximately 56,325 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, 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.

#### **Basis of Presentation**

*Government-Wide Statements:* The Statement of Net Position 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.

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 the 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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. Non-operating 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 non-major governmental funds:

**Public Transportation Grants Fund** – This fund accounts for federal and state grants used to finance the Rocky Mount Tar River Transit (bus) system.

**Entitlement Grants Fund** – This fund accounts for projects financed with Housing and Urban Development (HUD) Grants that are used for revitalization of low and moderate-income areas within the City.

**Crime/Safety Control Fund** – This fund accounts 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 accounts for federal and state grants used to promote improvement in economically depressed areas, improve housing, public infrastructure and promote employment and business opportunities.

**Emergency Telephone System Fund** – This fund accounts for state funds received related to monthly charges to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

**Occupancy Tax Fund** – This fund was established to account for monies received from the local occupancy tax. The State of North Carolina authorizes the collection of occupancy tax in General Statute 160A-215.

**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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The City reports the following major enterprise funds:

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

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

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

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

The City reports the following non-major enterprise fund:

**Stormwater Fund** – This fund accounts for the operations of the City’s stormwater system.

Additionally, the City reports the following fund types:

**Internal Service Funds** – The City has two Internal Service funds, its Risk Management fund, which is used to account for its self-insurance health care benefit and its Communications fund, which is used to account for telephone and radio expenses.

**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. An Agency fund is used to account for assets the City holds on behalf of others. The City maintains one Agency fund, the Community Development and Governmental Activities fund, which accounts for transactions related to revenues including commissions from vending machines sales, event receipts, drug forfeitures, and donations and the associated expenditures.

### **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. Non-exchange 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 non-operating 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 non-operating revenues and expenses.

*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 90 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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes which were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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. Sales taxes are considered a shared revenue for the City of Rocky Mount because the tax is levied by the counties and then remitted to and distributed by the State. Intergovernmental revenues, 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 position 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 general revenues.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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 council 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, 2015. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2015. 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 re-appropriated 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 council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **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, Public Transportation Grants, Crime/Safety Control, Economic Development, Occupancy Tax, and the Capital Project fund – General Capital Development Projects.

Funds adopting annual budgets include the General fund, the proprietary funds, the special revenue funds – Emergency Telephone System, as well as the capital project fund – General Capital Projects.

# **CITY OF ROCKY MOUNT, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015**

### **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 re-appropriated 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.

Interest earned as a result of pooling cash and investments is distributed to the appropriate funds based on the prior month’s ending balance of cash and investments and is recorded monthly.

### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, 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. In accordance with State law {G.S. 136-41.1 through 136-41.4}, Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected. All other deposits are restricted in their respective funds. These deposits are reported as liabilities to be paid from restricted assets. Risk management funds are also restricted.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### City of Rocky Mount Restricted Cash

#### Governmental Activities

##### General Fund

Streets	\$ 4,540,832
Customer deposits	271,120
Unexpended debt proceeds	696,302

##### Entitlement Grants Fund

Customer deposits	554
-------------------	-----

##### General Capital Projects Fund

Unexpended debt proceeds	2,173,807
--------------------------	-----------

##### Internal Service Funds

Risk Management	821,053
Unexpended debt proceeds	476,090

Total governmental activities	\$ 8,979,758
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#### Business-Type Activities

##### Electric Fund

Customer deposits	3,193,051
Unexpended debt proceeds	250,496

##### Gas Fund

Customer deposits	1,278,111
-------------------	-----------

##### Water Fund

Customer deposits	627,669
-------------------	---------

##### Sewer Fund

Customer deposits	6,978
Unexpended debt proceeds	771,739

##### Stormwater Fund

Customer deposits	33,596
Unexpended debt proceeds	220,042

Total business-type activities	\$ 6,381,682
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Total restricted cash	\$ 15,361,440
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### **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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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, 2015 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.

### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

### **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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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.

### **Deferred Outflows/Inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets the criteria for deferred outflows of resources: contributions made to the pension plan in the 2015 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has the following items that meet the criterion for this category – assessments, tax, and miscellaneous receivables along with prepaid taxes, unspent cable franchise agreement funds, and deferrals of pension expense that result from the implementation of GASB Statement 68.

### **Long-Term Obligations**

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.

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 position.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 are reported as a liability with portions reflected as both current and non-current. 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 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 Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments or imposed by law through State Statute. Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unexpended debt proceeds of \$2,870,109 as of June 30, 2015.

### Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Total Capital Assets	\$ 113,644,725	\$ 146,719,188
Less: Current Debt	(4,655,751)	(3,430,743)
Less: Long Term Debt	(23,222,769)	(13,316,239)
Add: Unexpended Debt Proceeds	3,346,199	1,242,277
Add: Other Post-Employment Benefits	4,407,450	1,383,411
Add: Unfunded Special Separation Allowance	1,163,510	-
Add: Other Debt - NCDOT	1,453,760	-
Net Investment in Capital Assets	<u>\$ 96,137,124</u>	<u>\$ 132,597,894</u>

### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The governmental fund types classify fund balances as follows:

### **Non-Spendable Fund Balance**

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in tact.

*Prepaid items* – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

*Inventories* – portion of fund balance that is not an available resource because it represents the year-end balance of inventory, which are not spendable resources.

### **Restricted Fund Balance**

*Stabilization by State Statute* – portion of fund balance that is not an available resource for appropriation in accordance with State law [G.S. 159-8(a)].

*Restricted for Streets* – 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.

*Restricted for Future Capital Projects* – portion of fund balance restricted for unexpended debt proceeds.

*Restricted for Public Safety* – portion of fund balance restricted for certain emergency telephone system expenditures.

*Restricted for Parks and Recreation* – portion of fund balance restricted for future parks and recreation expenditures.

### **Committed Fund Balance**

This classification represents the portion of fund balance that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Public Service* – portion of fund balance that has been committed by the city council for activities related to Transportation projects.

*Committed for Future Capital Projects* – portion of fund balance that has been committed by the council for activities related to capital projects.

### **Assigned Fund Balance**

Assigned fund balance is the portion of fund balance that the City of Rocky Mount intends to use for specific purposes. The City's governing body has the authority to assign fund balance to a specific purpose. The governing body authorizes the assignment of fund balance by the approval of a budget appropriation.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

*Assigned for Capital Projects* – portion of fund balance that has been assigned by the council for future capital project expenditures.

### **Unassigned Fund Balance**

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes or other funds.

The City of Rocky Mount has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, State funds, local funds, and City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City or when required by grant or other contractual agreements.

The city council adopted a fund balance policy on February 9, 2015. The City will maintain adequate fund balance in all operating funds and have a goal for each fund that will be reviewed at least annually. The level of fund balance will be determined based on anticipated future funding needs, historical trends, growth patterns, the economy and contractual obligations including bond covenants. The target level can be no less than (10) percent of annual budgeted expenditures for each operating fund. Fund balance results and targets are discussed with the city management team, the governing body, and department heads.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$26,644,451
Less:	
Inventories	433,469
Stabilization by State Statute	<u>5,977,634</u>
Total available fund balance	<u>\$20,233,348</u>

### **Interfund Transfers**

Interfund transfers from the enterprise funds to the General fund are transfers which represent a return on the investment of the utility. 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 other funds when grant closures occur. There are sometimes transfers from the enterprise funds that represent the utility's cost share in certain capital projects.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which they are due. The City of Rocky Mount's employer contributions are recognized when due and the City of Rocky Mount has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

## **2. Deposits and Investments**

### **Deposits**

All deposits of the City are made in council-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, 2015, the City's deposits had a carrying amount of \$22,301,473 and a bank balance of approximately \$23,127,219. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$21,877,219 in interest-bearing deposits was covered by collateral held under the Pooling Method.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 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, 2015, the City had \$58,093,797 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's investment in the North Carolina Capital Management Trust's Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies and in high grade money market instruments as permitted under NC General Statutes 159-30, as amended. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust Cash Portfolio	\$ 14,965,384	N/A	\$ 14,965,384	N/A
North Carolina Capital Management Trust Term Portfolio	<u>43,128,413</u>	0.23 years	<u>43,128,413</u>	N/A
	<u>\$ 58,093,797</u>		<u>\$ 58,093,797</u>	

Total cash and investments of \$80,395,270 reported by the City include cash on hand of \$12,025 and \$457,396 held by the City in the Agency fund, Community Development and Governmental Activities fund.

At June 30, 2015, the City had \$15,361,440 in restricted cash and investments. Of this amount, there was \$2,870,109, \$1,242,277, and \$476,090 in governmental, business-type, and internal service escrow accounts, respectively, and the escrow funds are to be used to purchase equipment and construction improvements under installment purchase agreements. The City has a total of \$5,411,079 in deposits that was restricted as to use and are reported as liabilities to be paid from restricted assets. The City has Powell Bill funds in the amount of \$4,540,832 that are restricted cash according to State law. The City had \$821,053 restricted for use in the Internal Service Fund for risk management.

*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, 2015

### 3. Accounts Receivable and Allowances for Doubtful Accounts

#### Allowance for Doubtful Accounts

The receivables shown in the Balance Sheet and the Statement of Net Position at June 30, 2015 are net of the following allowances for doubtful accounts:

Fund	June 30, 2015
<b>Governmental Activities:</b>	
Ad valorem taxes	\$ 1,790,515
Planning loans	4,455,193
Miscellaneous	594,325
Customers	217,752
Total governmental activities	\$ 7,057,785
 <b>Business-Type Activities:</b>	
Customers:	
Electric	\$ 1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	354,473
Total business-type activities	\$ 2,499,641
 Total allowances for doubtful accounts	 \$ 9,557,426

#### Accounts Receivable

At June 30, 2015 funds due from other governmental agencies consisted of the following:

#### Governmental Activities:

	General	Nonmajor Governmental	Total
Sales tax refund	\$ 799,482	\$ -	\$ 799,482
Vehicle fee	132,024	-	132,024
Local option tax	1,762,170	-	1,762,170
Grants receivable	53,729	542,107	595,836
Franchise tax	150,056	-	150,056
Miscellaneous receivable	15,625	108,419	124,044
	\$ 2,913,086	\$ 650,526	\$ 3,563,612

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 4. Capital Assets

#### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2015, was as follows:

	July 1, 2014	Additions	Retirements	Transfers	June 30, 2015
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	7,687,466	231,085	350,566	-	7,567,985
Construction in progress	85,552	166,803	-	-	252,354
Total capital assets not being depreciated	<u>7,773,017</u>	<u>397,888</u>	<u>350,566</u>	<u>-</u>	<u>7,820,339</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	20,106,760	677,221	12,743	7,700	20,778,938
Buildings	58,490,974	540,019	10,888	101,752	59,121,856
Equipment	41,924,468	4,875,231	1,211,152	2,794,698	48,383,246
Infrastructure	54,071,798	279,309	-	111,925	54,463,033
Total capital assets being depreciated	<u>174,594,000</u>	<u>6,371,780</u>	<u>1,234,783</u>	<u>3,016,075</u>	<u>182,747,073</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	7,891,803	802,589	11,694	7,700	8,690,398
Buildings	16,209,504	1,316,851	10,888	60,007	17,575,474
Equipment	30,848,010	3,488,070	1,211,402	2,616,094	35,740,772
Infrastructure	14,161,115	747,703	-	7,225	14,916,043
Total accumulated depreciation	<u>69,110,432</u>	<u>6,355,213</u>	<u>1,233,984</u>	<u>2,691,026</u>	<u>76,922,687</u>
Total capital assets being depreciated, net	<u>105,483,568</u>				<u>105,824,386</u>
Governmental activities capital assets, net	<u>113,256,585</u>				<u>113,644,725</u>

Prior year amounts include airport assets related to the City of Rocky Mount's joint venture with the Rocky Mount-Wilson Airport. The investment in the airport is reported separately for fiscal year 2015 and going forward. In fiscal year 2015, the assets of the internal service fund for communication services are shown in the governmental activities asset schedule.

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

General government	\$ 1,135,733
Public works	1,785,671
Public safety	1,127,036
Transit	533,335
Planning	92,809
Recreation	1,659,367
Internal Service -Comm	21,262
Total	<u>\$ 6,355,213</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital asset activity for the business-type activities for the year ended June 30, 2015, was as follows:

	July 1, 2014	Additions	Retirements	Transfers	June 30, 2015
<b>Electric Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	332,382	-	-	-	332,382
Construction in progress	3,498,009	260,831	-	(2,880,647)	878,193
Total capital assets not being depreciated	<u>3,830,391</u>	<u>260,831</u>	<u>-</u>	<u>(2,880,647)</u>	<u>1,210,576</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	491,895		223,582	(7,700)	260,613
Buildings	6,522,156	206,768	529,542	2,778,894	8,978,276
Equipment	29,424,442	362,174	214,031	(1,668,921)	27,903,663
Infrastructure	32,312,337	1,198,772	66,410	(111,925)	33,332,774
Total capital assets being depreciated	<u>68,750,830</u>	<u>1,767,714</u>	<u>1,033,565</u>	<u>990,348</u>	<u>70,475,326</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	273,755	18,208	185,516	(7,700)	98,747
Buildings	3,774,052	136,754	471,065	(60,007)	3,379,734
Equipment	21,280,086	1,141,381	195,328	(1,458,871)	20,767,268
Infrastructure	8,190,290	544,551	34,363	(7,225)	8,693,253
Total accumulated depreciation	<u>33,518,183</u>	<u>1,840,894</u>	<u>886,272</u>	<u>(1,533,803)</u>	<u>32,939,002</u>
Total capital assets being depreciated, net	<u>35,232,647</u>	<u>(73,180)</u>	<u>147,293</u>	<u>2,524,151</u>	<u>37,536,324</u>
Electric Fund capital assets, net	<u>39,063,038</u>	<u>187,651</u>	<u>147,293</u>	<u>(356,496)</u>	<u>38,746,900</u>
<b>Gas Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	8,727	182,610	-	-	191,337
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>8,727</u>	<u>182,610</u>	<u>-</u>	<u>-</u>	<u>191,337</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	11,425	-	-	-	11,425
Buildings	328,550	1,915,080	-	-	2,243,630
Equipment	9,272,481	287,615	-	(18,875)	9,541,221
Infrastructure	14,220,387	662,756	-	-	14,883,143
Total capital assets being depreciated	<u>23,832,844</u>	<u>2,865,451</u>	<u>-</u>	<u>(18,875)</u>	<u>26,679,420</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,323	457	-	-	2,780
Buildings	130,182	19,011	-	-	149,193
Equipment	5,731,406	583,277	-	(18,875)	6,295,808
Infrastructure	1,598,735	189,298	-	-	1,788,034
Total accumulated depreciation	<u>7,462,647</u>	<u>792,043</u>	<u>-</u>	<u>(18,875)</u>	<u>8,235,815</u>
Total capital assets being depreciated, net	<u>16,370,198</u>	<u>2,073,408</u>	<u>-</u>	<u>-</u>	<u>18,443,605</u>
Gas Fund capital assets, net	<u>16,378,924</u>	<u>2,256,018</u>	<u>-</u>	<u>-</u>	<u>18,634,942</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2015</u>
<b>Water Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	1,173,187	-	-	-	1,173,187
Construction in progress	2,942,672	-	-	(2,922,392)	20,280
Total capital assets not being depreciated	<u>4,115,860</u>	<u>-</u>	<u>-</u>	<u>(2,922,392)</u>	<u>1,193,467</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	9,106,395	-	1,691	-	9,104,704
Buildings	12,269,960	-	-	-	12,269,960
Equipment	9,167,598	342,284	6,545	20,496	9,523,832
Infrastructure	28,129,113	40,222	2,332	2,922,392	31,089,395
Total capital assets being depreciated	<u>58,673,066</u>	<u>382,506</u>	<u>10,568</u>	<u>2,942,888</u>	<u>61,987,892</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	8,554,180	402,442	1,691	-	8,954,931
Buildings	6,301,318	245,896	-	-	6,547,215
Equipment	6,031,566	565,410	4,793	22,711	6,614,894
Infrastructure	9,475,611	390,151	581	-	9,865,182
Total accumulated depreciation	<u>30,362,676</u>	<u>1,603,900</u>	<u>7,065</u>	<u>22,711</u>	<u>31,982,222</u>
Total capital assets being depreciated, net	<u>28,310,390</u>	<u>(1,221,394)</u>	<u>3,503</u>	<u>2,920,176</u>	<u>30,005,670</u>
Water Fund capital assets, net	<u>32,426,250</u>	<u>(1,221,394)</u>	<u>3,503</u>	<u>(2,215)</u>	<u>31,199,137</u>
<b>Sewer Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	782,025	-	-	-	782,025
Construction in progress	36,482	49,063	18,645	-	66,900
Total capital assets not being depreciated	<u>818,507</u>	<u>49,063</u>	<u>18,645</u>	<u>-</u>	<u>848,925</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	2,167,163	-	-	-	2,167,163
Buildings	43,763,854	-	2,614,785	-	41,149,070
Equipment	23,898,368	116,892	2,134,597	(1,082,638)	20,798,025
Infrastructure	32,357,889	-	5,257	-	32,352,632
Total capital assets being depreciated	<u>102,187,275</u>	<u>116,892</u>	<u>4,754,639</u>	<u>(1,082,638)</u>	<u>96,466,890</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,113,173	2,490	-	-	2,115,663
Buildings	18,137,695	765,161	1,738,733.88	-	17,164,122
Equipment	16,260,770	731,097	2,134,596	(1,116,552)	13,740,720
Infrastructure	9,889,658	431,077	1,070	-	10,319,667
Total accumulated depreciation	<u>46,401,297</u>	<u>1,929,825</u>	<u>3,874,400</u>	<u>(1,116,552)</u>	<u>43,340,170</u>
Total capital assets being depreciated, net	<u>55,785,977</u>	<u>(1,812,932)</u>	<u>880,239</u>	<u>33,913</u>	<u>53,126,719</u>
Sewer Fund capital assets, net	<u>56,604,485</u>	<u>(1,763,870)</u>	<u>898,884</u>	<u>33,913</u>	<u>53,975,644</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	July 1, 2014	Additions	Retirements	Transfers	June 30, 2015
<b>Storm Water Management Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	387,866.33	-	-	-	387,866
Construction in progress	342,376.14	19,121	-	-	361,497
Total capital assets not being depreciated	730,242.47	19,121	-	-	749,363
<b>Capital Assets Being Depreciated</b>					
Land improvements	154,854.00	28,001	-	-	182,855
Buildings	65,000.00	-	-	-	65,000
Equipment	3,333,747.56	76,326	-	(43,629)	3,366,445
Infrastructure	2,201,957.60	128,324	-	-	2,330,282
Total capital assets being depreciated	5,755,559.16	232,651	-	(43,629)	5,944,582
<b>Less Accumulated Depreciation for:</b>					
Land improvements	7,710.73	6,288	-	-	13,998
Buildings	7,908.09	1,300	-	-	9,208
Equipment	2,138,527.60	291,659	-	(43,629)	2,386,557
Infrastructure	91,924.80	29,691	-	-	121,616
Total accumulated depreciation	2,246,071.22	328,938	-	(43,629)	2,531,380
Total capital assets being depreciated, net	3,509,487.94	(96,286)	-	-	3,413,202
Total Storm Water Management Fund capital assets, net	4,239,730.41	(77,166)	-	-	4,162,565

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2015, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,264,502	\$ 8,277,636	\$ 9,542,138
Claims incurred but not reported	188,035	9,285	197,320
Accrued payroll and related liabilities	1,744,708	315,507	2,060,215
Total accounts payable and accrued liabilities	\$ 3,197,245	\$ 8,602,428	\$ 11,799,673

### 6. Pension Plan Obligations

#### Local Government Employees' Retirement System

**Plan Description.** The City is a participating employer in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Rocky Mount employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Rocky Mount's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Rocky Mount for the year ended June 30, 2015 totaled \$2,938,438, comprised of \$2,335,300 for general employees and firefighters and \$603,138 for law enforcement officers.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Refunds of Contributions.** City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2015, the City reported an asset of \$4,572,714 for its proportionate share of the net pension asset which was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the City's proportion was 0.7754%, which was a decrease of .039%.

For the year ended June 30, 2015, the City recognized pension expense of \$143,351. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 499,648
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	10,645,178
Changes in proportion and differences between City contributions and proportionate share of contributions	-	571,909
City contributions subsequent to the measurement date	2,938,438	-
Total	\$ 2,938,438	\$ 11,716,735

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$2,938,438 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to will be recognized in pension expense as follows:

**Year ended June 30:**

2016	\$	(2,929,855)
2017		(2,929,855)
2018		(2,929,855)
2019		(2,927,170)
2020		-
Thereafter		-

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

*Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate.* The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability (asset)	\$ 15,521,774	\$ (4,572,714)	\$ (21,491,626)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

### **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, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	23
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	158
Total	181

**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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployers contributing entities, the plan administrator, and plan members.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**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, 2015 was determined as part of the December 31, 2013, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-employment benefit increases. The unfunded actuarial accrued liability is being amortized on a level dollar closed amortization method. The remaining amortization period at December 31, 2013, was 17 years.

**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	\$ 523,150
Interest on net pension obligation	53,639
Adjustment to annual required contribution	<u>(90,623)</u>
Annual pension cost	486,166
Contributions made	<u>395,428</u>
Increase in net pension obligation	90,738
Net pension obligation, beginning of year	<u>1,072,772</u>
Net pension obligation, end of year	<u><u>\$ 1,163,510</u></u>

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	416,397	69.33%	1,017,770
6/30/2014	419,485	86.89%	1,072,772
6/30/2015	486,166	81.34%	1,163,510

**Funded Status and Funding Progress.** As of December 31, 2014, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$4,314,361, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,314,361.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The covered payroll (annual payroll of active employees covered by the plan) was \$7,820,517 and the ratio of the UAAL to the covered payroll was 55.17 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### **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 for law enforcement officers, all other employees have a one year waiting period before participation. 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 to the North Carolina General Assembly. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. 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.** 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 3% of the employees' salary.

The City's contributions were calculated using a covered payroll amount of \$8,133,760 for employees engaged in law enforcement and \$31,512,599 for all other full-time employees. Total contributions for the year ended June 30, 2015, were \$1,352,066 which consisted of \$406,688 for employees engaged in law enforcement and \$945,378 for all other employees. Voluntary contributions made by all City employees totaled \$748,142.

### **Other Post-Employment Benefits**

**Plan Description.** The City (by local ordinance) administers a single-employer defined benefit plan which 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. For a disability retiree to be covered under the health plan, the retiree must have at least five years of creditable service with the City (with the exception of Law Enforcement – one year and in the line of duty injury) 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 a portion of the 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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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. The City maintains health care coverage through a combination of self-insurance and private insurers (see Risk Management Note). The City Council may amend benefit provisions. A separate report was not issued for the plan.

Membership of the post employment health benefit plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	193
Active members	832
	<hr/>
	1,025
	<hr/> <hr/>

**Funding Policy.** The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members, hired before 9/1/2009 that retire with at least 30 years of service or that retire with approved disability retirement, the City pays \$418.71 of the cost for pre-65 health care coverage for the retiree. Retirees will cease to be eligible for group health insurance at age 65. If hired on or after 9/1/2009, the City pays 100% of \$418.71 for 30 or more years, 75% for 20-29 years, and 50% for 15-19 years of service. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. For employees hired on or after July 1, 2009, retirees will cease to be eligible for coverage at age 65 or upon eligibility for Medicare. Disability retirees will receive coverage for twenty-four months or until eligible for Medicare, whichever comes first. In both cases above, the retiree will be responsible for paying the cost of dependent coverage if dependent coverage is elected. The City has chosen to fund healthcare benefits on a pay as you go basis.

The current annual required contribution rate (ARC) is 7.2% of annual covered payroll. For fiscal year 2015, the City contributed \$1,930,999, or 5% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2015, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

### Summary of Significant Accounting Policies

Benefit expenditures are made from the proprietary funds, which are reported on the full accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 2,505,110
Interest on net OPEB obligation	208,298
Adjustment to annual required contribution	(198,989)
Annual OPEB cost (expense)	2,514,419
Contributions made	1,930,999
Increase (decrease) in net OPEB obligation	583,420
Net OPEB obligation, beginning of year	5,207,440
Net OPEB obligation, end of year	\$ 5,790,860

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<b>For Year Ended June 30</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2013	2,490,899	87.80%	4,241,799
2014	2,770,241	65.10%	5,207,440
2015	2,514,419	76.80%	5,790,860

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$37,274,969. The covered payroll (annual payroll of active employees covered by the plan) was \$38,746,271, and the ratio of the UAAL to the covered payroll was 96.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **Actuarial Methods and Assumptions**

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

The annual required contribution for the current year was determined as part of the December 31, 2014, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.00% and (b) a 7.75% - 5.00% medical cost trend rate with 2020, the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

### **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 payrolls, 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, 2015, the City made contributions to the State for death benefits of \$0 due to a temporary relief period enacted by the State because of a surplus of funds. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

<b>Number of Years Contributing</b>	<b>Years Relief</b>	<b>Fiscal Year Contributions Resume</b>
less than 10	1	2014
10 - 20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. The City of Rocky Mount will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

### **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, 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 contributed a total of \$1,352,066 to the plan for the year ended June 30, 2015.

### **7. Operating Leases**

The City had an operating lease for the year ended June 30, 2015 for the purchase of computer equipment with principal payments of \$31,271, \$32,752, and \$34,302 in fiscal years 2016, 2017, and 2018, respectively.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 8. Deferred Outflows/Inflows of Resources

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

Source	<u>Fund- Level</u>	<u>Government- Wide</u>
Taxes receivable (General Fund)	\$ 1,587,642	\$ -
Accounts receivable (General Fund)	3,109,838	-
Assessments (General Fund)	3,610,238	-
Accounts receivable (other governmental funds)	13,599	-
Prepaid taxes (General Fund)	68,218	68,218
Unspent cable franchise agreement (General Fund)	100,916	100,916
Pension deferrals	-	11,716,735
Total	<u>\$ 8,490,451</u>	<u>\$ 11,885,869</u>

The balance of deferred outflows of resources is \$2,938,438 and is entirely comprised of the contributions to the pension plan in the current fiscal year.

### 9. Commitments

#### Construction

The City had outstanding commitments at June 30, 2015, of approximately \$32,933 for sidewalk improvements, \$15,000 for South Rocky Mount Community Center renovations, \$102,691 for the Atlantic Avenue transmission pole relocation project, \$55,950 for the filter rehabilitation engineering at the Tar River Reservoir, \$16,980 for the rehabilitation of culvert in the 200 block of South West Main street, and \$41,950 for the installation of lift station generators at Hillsdale and Cokey road. A portion of these improvements are being financed with an installment note and local grant contributions.

#### 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 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. Property insurance claims are administered by a third party administrator with the exception of claims below \$10,000 which are handled by the City. All bodily injury claims are administered by a third party administrator. The City has purchased insurance to cover individual claims exceeding the following amounts:

Line of Coverage	City's Net Retention
Workers' compensation and employers' liability	\$ 650,000
Property damage	100,000
General liability	50,000
Public officials/errors and omissions liability, law enforcement liability, and flood and earthquake	100,000
Auto liability and physical damage	50,000

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, and settled claims have not exceeded coverage in any of the past three years.

The City carries multiple flood insurance policies subject to a maximum 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 \$197,320 for estimated claims which will be covered under self-insurance retention. The City has recorded an accrual totaling \$83,956 for estimated claims which will be covered under the Risk Management fund. The self-insurance total of \$197,320 is for the estimated liability related to general property claims.

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.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

Changes in the reported liability for possible claims and judgments during fiscal years 2015 and 2014 are summarized as follows:

<u>Possible Claims and Judgments</u>	<u>2015</u>	<u>2014</u>
Balance, beginning	\$ 244,500	\$ 286,112
Current year claims and changes in estimates	579,951	295,846
Claim payments	(627,131)	(337,458)
Balance, ending	<u>\$ 197,320</u>	<u>\$ 244,500</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2015 consist of the following:

**Long-Term Debt:**

	Serviced By	
	Governmental Activities	Business-Type Activities
<b>Installment Purchases:</b>		
Building; due in monthly installments of \$80,491; maturing June 2019; interest at 1.62% (LGC)	\$ 3,738,625	\$ -
Equipment; due in monthly installments of \$54,167; maturing May 2018; interest at 1.11%	1,237,639	658,194
Improvements; due in monthly installments of \$73,394; maturing April 2018; interest at .989% (LGC)	189,214	2,270,564
Improvements; due in monthly installments of \$25,305 plus interest; maturing April 2016; interest at 2.04% (LGC)	123,898	129,153
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55% (LGC)	8,406,667	-
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	174,040	309,668
Improvements; due in monthly installments of \$35,057; maturing April 2017; interest at 1.353% (LGC)	-	761,352
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	3,185,523
Improvements; due in monthly installments of \$14,831 plus interest; maturing May 2019; interest at 1.35% (LGC)	697,034	-
Equipment; due in monthly installments of \$52,715; maturing May 2017; interest at 1.027%	693,831	506,240
Improvements; due in monthly installments of \$23083; maturing June 2025; interest at 2.07% (LGC)	2,210,000	560,000
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	484,692	-
Equipment; due in monthly installments of \$109,202; maturing April 2016; interest at .845%	623,161	464,638
Total installment purchases	\$ 18,578,801	\$ 8,845,332

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

<b>Other Long-Term Debt:</b>	<b>Serviced By</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
HUD - Section 108 Loan Guarantee - Douglas Block project	\$ 2,075,000	\$ -
YMCA - Building purchase agreement	200,000	-
Other - NCDOT	1,453,760	-
Other - NCDENR (LGC)	-	6,518,239
Subtotal	3,728,760	6,518,239
Unfunded Special Separation Allowance	1,163,510	-
Other post-employment benefits	4,407,449	1,383,411
Total other long-term debt	9,299,719	7,901,650
Total outstanding	27,878,520	16,746,982
Less current portion	4,655,751	3,430,743
	\$ 23,222,769	\$ 13,316,239

Long-term debt categorized as “Other - NCDOT” 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 - NCDENR” in the business-type activities includes four sewer revolving loans and one water revolving loan financed through NCDENR.

Revolving loan due in annual payments of \$29,776 plus interest; maturing May 1, 2025; interest at 2.205% (LGC)	\$ 297,764
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,433,819
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0% (LGC)	2,024,836
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02% (LGC)	1,575,923
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	185,897
	\$ 6,518,239

The unfunded special separation allowance (net pension obligation) and net other post-employment benefits are typically liquidated by the General fund for governmental funds. The net other post-employment benefits for the business-type activities are liquidated in their respective proprietary funds.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Changes in Long-Term Debt

The following are summaries of changes in the City's long-term debt for the year ended June 30, 2015:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>July 1, 2014</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2015</b>	<b>One Year</b>
<b>Governmental Activities:</b>					
Installment purchases	\$ 18,728,007	\$ 3,483,000	\$ 3,632,206	\$ 18,578,801	\$ 3,687,787
Unfunded Special					
Separation Allowance	1,072,772	486,166	395,428	1,163,510	-
HUD Loan	2,220,000	-	145,000	2,075,000	145,000
YMCA	300,000	-	100,000	200,000	100,000
Other - NCDOT	1,834,203	341,807	722,250	1,453,760	722,964
Net pension liability (LGERS)	7,414,907	-	7,414,907	-	-
Other post-employment benefits	3,966,769	440,680	-	4,407,449	-
Compensated absences	3,431,541	2,064,390	2,037,242	3,458,689	2,037,242
Total	<u>\$ 31,553,293</u>	<u>\$ 6,816,043</u>	<u>\$ 14,447,033</u>	<u>\$ 31,337,209</u>	<u>\$ 6,692,993</u>
<b>All Business-Type Activities:</b>					
Installment purchases	\$ 11,578,875	\$ 1,237,000	\$ 3,970,543	\$ 8,845,332	\$ 3,001,314
Other - NCDENR	6,947,668	-	429,429	6,518,239	429,429
Net pension liability (LGERS)	2,401,743	-	2,401,743	-	-
Other post-employment benefits	1,240,671	142,740	-	1,383,411	-
Compensated absences	739,708	521,707	513,930	747,484	513,930
Total	<u>\$ 20,506,922</u>	<u>\$ 1,901,447</u>	<u>\$ 7,315,645</u>	<u>\$ 17,494,466</u>	<u>\$ 3,944,673</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
<b>Electric Fund:</b>					
Installment purchases	\$ 4,656,780	\$ 245,000	\$ 1,403,167	\$ 3,498,613	\$ 1,309,932
Net pension liability (LGERS)	752,928	-	752,928	-	-
Other post-employment benefits	403,543	44,748	-	448,291	-
Compensated absences	299,743	192,321	204,698	287,366	204,698
Total	<u>\$ 5,360,066</u>	<u>\$ 482,069</u>	<u>\$ 2,360,793</u>	<u>\$ 4,234,270</u>	<u>\$ 1,514,630</u>
<b>Gas Fund:</b>					
Installment purchases	\$ 800,592	\$ -	\$ 279,066	\$ 521,526	\$ 282,866
Net pension liability (LGERS)	247,799	-	247,799	-	-
Other post-employment benefits	133,851	14,727	-	148,578	-
Compensated absences	82,500	54,066	51,679	84,887	51,679
Total	<u>\$ 1,264,742</u>	<u>\$ 68,793</u>	<u>\$ 578,544</u>	<u>\$ 754,991</u>	<u>\$ 334,545</u>
<b>Water Fund:</b>					
Installment purchases	\$ 1,836,710	\$ -	\$ 941,766	\$ 894,944	\$ 306,495
Other - NCDENR	198,290	-	12,393	185,897	12,393
Net pension liability (LGERS)	619,497	-	619,497	-	-
Other post-employment benefits	348,731	36,818	-	385,549	-
Compensated absences	146,783	115,763	107,107	155,439	107,107
Total	<u>\$ 2,530,514</u>	<u>\$ 152,581</u>	<u>\$ 1,680,763</u>	<u>\$ 1,621,829</u>	<u>\$ 425,995</u>
<b>Sewer Fund:</b>					
Installment purchases	\$ 3,158,996	\$ 772,000	\$ 919,580	\$ 3,011,416	\$ 681,940
Other - NCDENR	6,749,377	-	417,035	6,332,342	417,035
Net pension liability (LGERS)	409,821	-	409,821	-	-
Other post-employment benefits	173,390	24,356	-	197,746	-
Compensated absences	123,510	93,763	92,542	124,731	92,542
Total	<u>\$ 10,205,273</u>	<u>\$ 890,119</u>	<u>\$ 1,838,978</u>	<u>\$ 9,666,235</u>	<u>\$ 1,191,517</u>
<b>Stormwater Fund:</b>					
Installment purchases	\$ 1,125,798	\$ 220,000	\$ 426,966	\$ 918,832	\$ 420,082
Net pension liability (LGERS)	371,698	-	371,698	-	-
Other post-employment benefits	181,157	22,091	-	203,248	-
Compensated absences	87,172	65,793	57,904	95,061	57,904
Total	<u>\$ 1,394,127</u>	<u>\$ 307,884</u>	<u>\$ 856,568</u>	<u>\$ 1,217,141</u>	<u>\$ 477,986</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 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, 2015, including interest, are as follows:

### Maturities of Long-Term Debt

	<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Governmental Activities:</b>				
2016	\$ 3,687,787	\$ 363,010	\$ 967,964	\$ 73,022
2017	2,933,873	306,015	975,796	69,499
2018	2,574,051	254,165	145,000	65,460
2019	2,130,527	206,507	145,000	61,089
2020	974,230	170,144	145,000	56,434
2021-2025	4,338,331	515,047	725,000	203,544
2026-2029	1,940,002	76,266	625,000	56,593
Total governmental activities	<u>18,578,801</u>	<u>1,891,154</u>	<u>3,728,760</u>	<u>585,641</u>
<b>Business-Type Activities:</b>				
2016	3,001,314	210,014	429,429	94,184
2017	2,360,024	155,643	429,428	87,461
2018	1,651,960	107,727	429,428	80,738
2019	795,675	67,937	429,428	74,015
2020	756,361	32,319	429,428	67,292
2021-2025	279,998	14,732	2,147,145	235,615
2026-2030	-	-	1,623,828	78,423
2031-2033	-	-	600,125	10,506
Total business-type activities	<u>8,845,332</u>	<u>588,372</u>	<u>6,518,239</u>	<u>728,234</u>
Total	<u>\$ 27,424,133</u>	<u>\$ 2,479,526</u>	<u>\$ 10,246,999</u>	<u>\$ 1,313,875</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, 2015 the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$320,843,274.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rolling 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, 2015, 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, 2015, are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u> <u>General</u>
Community Development	69,061
Economic Development	1,435
Crime/Safety Control Fund	3,870
	<u>\$ 74,366</u>

The amounts due to the General fund from the nonmajor governmental funds represent \$74,366 in cash advances to cover expenses in the Special Revenue funds. There is an additional \$14,166 due to the General fund from the Internal Service fund for Communications. During fiscal year 2015, the Gas fund loaned funds to the General fund for the purchase of recycling and rollout carts for environmental services division. The balance on this loan at June 30, 2015 was \$491,810.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Transfers To/From Other Funds

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Enterprise</u>	
General Fund	\$ -	\$ 869,769	\$ 75,000	\$ 944,769
Nonmajor Governmental Funds	500,000	-	-	500,000
Electric Fund	1,700,000	-	-	1,700,000
Gas Fund	1,900,000	-	-	1,900,000
Water Fund	125,000	-	-	125,000
Sewer Fund	-	10,250	-	10,250
Total	<u>\$ 4,225,000</u>	<u>\$ 880,019</u>	<u>\$ 75,000</u>	<u>\$ 5,180,019</u>

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 and to match grant funds.

The transfer between the General fund and nonmajor enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds. The transfer from the Sewer fund to the nonmajor governmental fund represents an investment in the Acme United sewer project.

Electric, Gas, and Water fund transfers to the General fund 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 Council of Trustees of the Library. The City appoints three of the twelve Council members. The City contributed \$625,525 to the library's operating purposes during the year ended June 30, 2015.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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, 2014, \$1,721,650,000 of the bonds were outstanding (plus unamortized premium of \$57,006,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

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.

At June 30, 2015, the sale of the Agency's generating assets to Duke Energy Progress was pending. The sale includes the Agency's ownership interest in several Duke Energy Progress plants along with fuel inventories. Under the terms of the agreement, Duke Energy Progress and the Agency will enter into a 30-year wholesale power agreement to continue meeting the needs of Agency customers.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 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 (RMWAA). Each of the entities appoints members of the seven-member council of commissioners of the Authority. The City appoints two of the seven Council members. The City has an ongoing financial responsibility for the airport and contributed \$95,720 to the Authority for operating purposes and capital outlay during the year ended June 30, 2015. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$1,977,335 which represents 29% of the net position of the RMWAA has been reflected in the City's Statement of Net Position as a noncurrent asset at June 30, 2015. This was a change in the presentation of the investment in the RMWAA from the prior year and the difference of \$7,339,240 is shown as a restatement of beginning net position. The current year investment is included in the miscellaneous revenues in the Statement of Activities. 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 Council 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, 2015, this payment totaled \$47,723.

### 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 \$13,254,224 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General 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, 2015, 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 18. Significant Contingencies

#### Environmental Concerns

The City operated a coal gas manufacturing plant from the 1920's to 1950's. In general, manufactured gas plants (MGP) produced coal gas for lighting and heating from coal. Byproducts of this process including coal tar and oils were typically stored and disposed of on sight. This may have caused contamination of the subsurface area of the MGP. The City has had to implement a NC Department of Environmental and Natural Resources (NCDENR) approved remedial investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. A remedial investigation (RI) work plan was developed, and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis. NCDENR approved the consultant's recommendation for a more in depth RI, and a remedial action plan (RAP) was developed and submitted to NCDENR for approval. Site cleanup activities were conducted from late December 2011 to mid-January 2012. A Remedial Action Report (RAR) was prepared and submitted to NCDENR on March 20, 2012 and was approved by NCDENR on April 26, 2012. The City is currently moving forward with establishing Declaration of Perpetual Land Use Restrictions (DPLURs) for the property which restricts groundwater use and soil exposure at the site. The restrictions, once finalized, will be included on the property deed in accordance with NCDENR requirements. The Land Use Restrictions are in the final stages of approval. Long-term groundwater monitoring was initiated during the 3<sup>rd</sup> Quarter of 2012. The monitoring is done to make sure contamination is not seeping down and spreading into the groundwater. Samples showed some contamination that had been leached into the soil. The City has recently allocated funds to remediate the leeching that is happening by using Aggressive Fluid Vapor Recovery, which vacuums out the contamination. The City will continue to monitor the contamination levels and groundwater monitoring will likely continue for the foreseeable future. As of June 30, 2015 the City has paid \$1,026,951 in costs for remediation.

#### 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 Council of Education" (the "Council") and became effective on July 1, 1992.

The Council 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 \$803,836 for the year ended June 30, 2015.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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. Change in Accounting Principles/Restatement**

The City implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the City to record beginning net pension liability and the effect on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014). As a result net position for the governmental and business-type activities decreased by \$5,287,887 and \$1,712,785, respectively.

Also in fiscal year ending June 30, 2015, the City changed how it reports its investment in the Rocky Mount-Wilson Airport. In prior years, the City included the Airport's asset information in the governmental assets of the City. For fiscal year 2015 and periods going forward, the investment will be shown as an investment in joint venture and will reflect the 29% equity investment of the City. This change resulted in a decrease in net position for governmental activities of \$7,339,240 as of the beginning of the fiscal year.

## **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, 2015

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A			
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%
12/31/07	-	2,748,305	2,748,305	0.00%	6,181,307	44.46%
12/31/08	-	2,831,425	2,831,425	0.00%	6,540,884	43.29%
12/31/09	-	3,835,812	3,835,812	0.00%	7,836,077	48.95%
12/31/10	-	3,848,097	3,848,097	0.00%	7,853,868	49.00%
12/31/11	-	4,057,250	4,057,250	0.00%	7,852,898	51.67%
12/31/12	-	4,215,301	4,215,301	0.00%	7,855,147	53.66%
12/31/13	-	4,283,038	4,283,038	0.00%	7,594,468	56.40%
12/31/14	-	4,314,361	4,314,361	0.00%	7,820,517	55.17%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2005	217,166	75.00%
2006	227,572	94.62%
2007	226,351	108.51%
2008	245,051	106.96%
2009	277,705	90.39%
2010	296,850	77.20%
2011	404,360	72.14%
2012	398,083	77.98%
2013	427,283	67.56%
2014	451,516	80.72%
2015	523,150	75.59%

## 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	12/31/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar closed	
Remaining amortization period	16 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5.00%	* Includes inflation at 3.0%
Projected salary increases *	4.25 - 7.85%	
Cost of living adjustments	N/A	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST - EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015

## 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				
12/31/05	\$ -	\$ 26,003,197	\$ 26,003,197	0.00%	\$ 31,877,912	81.6%	
12/31/06	-	25,079,116	25,079,116	0.00%	33,339,163	75.2%	
12/31/07	-	31,660,867	31,660,867	0.00%	32,250,543	98.2%	
12/31/08	-	37,133,950	37,133,950	0.00%	34,732,711	106.9%	
12/31/09	-	29,853,713	29,853,713	0.00%	41,748,252	71.5%	
12/31/10	-	27,043,309	27,043,309	0.00%	41,186,985	65.7%	
12/31/11	-	33,205,290	33,205,290	0.00%	40,261,835	82.5%	
12/31/12	-	35,088,581	35,088,581	0.00%	40,225,360	87.2%	
12/31/13	-	32,281,595	32,281,595	0.00%	38,506,523	83.8%	
12/31/14	-	37,274,969	37,274,969	0.00%	38,746,271	96.2%	

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	2,532,013	57.75%
2009	2,926,108	50.30%
2010	2,416,530	57.53%
2011	2,416,530	76.76%
2012	2,096,518	109.90%
2013	2,483,862	88.00%
2014	2,762,658	65.32%
2015	2,505,110	77.08%

## 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	12/31/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 7.50%	
Year of Ultimate trend rate	2020	

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CITY OF ROCKY MOUNT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30 2014 AND 2015**

**LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM**

	<u>2015</u>	<u>2014</u>
City of Rocky Mount's proportion of the net pension liability (asset) (%)	0.77537%	0.81440%
City of Rocky Mount's proportion of the net pension liability (asset) (\$)	\$ (4,572,714)	\$ 9,816,647
City of Rocky Mount's covered-employee payroll	\$ 39,599,802	\$39,111,519
City of Rocky Mount's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.55%	25.10%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

## CITY OF ROCKY MOUNT, NORTH CAROLINA

CITY OF ROCKY MOUNT'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30 2014 AND 2015

## LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,938,438	\$ 2,815,978
Contributions in relation to the contractually required contribution	2,938,438	2,815,978
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
City of Rocky Mount's covered-employee payroll	\$ 41,170,604	\$39,599,802
Contributions as a percentage of covered-employee payroll	7.14%	7.11%

## **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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Revenues:</b>			
<b>Taxes:</b>			
<b>Ad Valorem Taxes:</b>			
Current year	\$ 22,465,000	\$ 22,659,424	\$ 194,424
Prior years	565,000	493,137	(71,863)
Penalties and interest	225,000	263,206	38,206
Total	23,255,000	23,415,767	160,767
<b>Intergovernmental Revenues:</b>			
Payment in lieu of taxes	1,526,760	1,524,483	(2,277)
Local option sales tax	9,665,000	9,929,384	264,384
Telecommunications tax	825,000	707,980	(117,020)
Franchise tax	2,915,000	3,549,282	634,282
Tax refunds	135,000	61,948	(73,052)
Beer and wine tax	250,000	268,678	18,678
ABC revenues	76,000	49,814	(26,186)
Court facilities fees	116,340	103,964	(12,376)
State grants	2,262,000	1,774,140	(487,860)
On behalf payments - fire	-	16,262	16,262
Other	787,293	827,884	40,591
Total	18,558,393	18,813,819	255,426
<b>Licenses, Permits and Other Taxes:</b>			
Privilege licenses	140,000	2,639	(137,361)
Building permits and inspection fees	439,800	548,311	108,511
Rental vehicle tax	62,000	63,049	1,049
Animal tax	23,000	19,811	(3,189)
Other	244,500	257,526	13,026
Total	909,300	891,336	(17,964)
<b>Sales and Service:</b>			
Solid waste and recycling charge	3,854,300	3,857,496	3,196
Reconnection charges	310,000	309,630	(370)
Weed control charges	70,000	70,541	541
Cemetery revenues	122,000	155,224	33,224
Sale of fixed assets	75,000	132,899	57,899
Recreation department fee	870,700	753,753	(116,947)
Transfer station charges	2,350,000	2,371,249	21,249
Concessions	209,000	192,902	(16,098)
Other	494,800	459,552	(35,248)
Total	8,355,800	8,303,246	(52,554)
Investment Earnings	69,930	61,815	(8,115)

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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Miscellaneous:</b>			
Insurance	20,500	17,234	(3,266)
Demolition assessment	47,000	39,807	(7,193)
Excess utility tax	-	62,630	62,630
Rents	254,400	340,342	85,942
Contributions	246,366	212,158	(34,208)
Parking	3,150	4,080	930
Other	214,650	263,651	49,001
<b>Total</b>	<b>786,066</b>	<b>939,902</b>	<b>153,836</b>
Total revenues	51,934,489	52,425,885	491,396
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Mayor and City Council:</b>			
Salaries	85,380	85,280	100
Employee benefits	49,080	48,663	417
Operating expenses	594,064	389,684	204,380
Utility service fee	(331,800)	(331,800)	-
<b>Total</b>	<b>396,724</b>	<b>191,827</b>	<b>204,897</b>
<b>City Clerk:</b>			
Salaries	167,600	145,327	22,273
Employee benefits	50,880	42,825	8,055
Operating expenses	43,040	34,827	8,213
Utility service fee	(110,100)	(110,100)	-
<b>Total</b>	<b>151,420</b>	<b>112,879</b>	<b>38,541</b>
<b>Community Services:</b>			
Operating expenses	1,076,524	1,063,310	13,214
Utility service fee	(495,500)	(451,300)	(44,200)
<b>Total</b>	<b>581,024</b>	<b>612,010</b>	<b>(30,986)</b>
<b>City Manager:</b>			
Salaries	641,318	640,667	651
Employee benefits	166,590	162,204	4,386
Operating expenses	91,220	81,087	10,133
Capital outlay	13,433	9,925	3,508
Utility service fee	(399,700)	(399,700)	-
<b>Total</b>	<b>512,861</b>	<b>494,183</b>	<b>18,678</b>

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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Public Affairs:</b>			
Salaries	161,016	130,687	30,329
Employee benefits	49,230	38,587	10,643
Operating expenses	95,352	78,737	16,615
Capital outlay	6,332	5,880	452
Utility service fee	(168,800)	(168,800)	-
Total	<u>143,130</u>	<u>85,091</u>	<u>58,039</u>
<b>Downtown Development:</b>			
Salaries	72,230	65,104	7,126
Employee benefits	19,420	16,442	2,978
Operating expenses	283,782	134,447	149,335
Utility service fee	(107,000)	(107,000)	-
Total	<u>268,432</u>	<u>108,993</u>	<u>159,439</u>
<b>Finance:</b>			
<b>Administration:</b>			
Salaries	215,930	215,900	30
Employee benefits	57,590	57,538	52
Operating expenses	1,164,973	1,071,971	93,002
Capital outlay	-	-	-
Utility service fee	(1,300,100)	(1,300,100)	-
Total	<u>138,393</u>	<u>45,309</u>	<u>93,084</u>
<b>Accounting:</b>			
Salaries	441,590	440,235	1,355
Employee benefits	116,840	114,175	2,665
Operating expenses	71,750	59,453	12,297
Capital outlay	-	-	-
Utility service fee	(613,800)	(613,800)	-
Total	<u>16,380</u>	<u>63</u>	<u>16,317</u>
<b>Purchasing:</b>			
Salaries	349,450	349,444	6
Employee benefits	101,610	100,765	845
Operating expenses	48,480	32,061	16,419
Capital outlay	71,932	22,475	49,457
Utility service fee	(497,660)	(497,660)	-
Total	<u>73,812</u>	<u>7,085</u>	<u>66,727</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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Utility Billing:</b>			
Salaries	1,746,380	1,741,016	5,364
Employee benefits	514,380	506,893	7,487
Operating expenses	779,134	706,607	72,527
Capital outlay	10,247	5,498	4,749
Utility service fee	(2,958,700)	(2,958,700)	-
Total	91,441	1,314	90,127
<b>Information Systems:</b>			
Salaries	578,793	578,748	45
Employee benefits	139,210	137,372	1,838
Operating expenses	1,111,976	1,013,937	98,039
Capital outlay	136,222	42,327	93,895
Utility service fee	(1,736,300)	(1,736,300)	-
Total	229,901	36,084	193,817
Total finance	549,927	89,855	460,072
<b>Central Services:</b>			
<b>Municipal Building:</b>			
Salaries	320,040	320,022	18
Employee benefits	96,970	96,878	92
Operating expenses	901,470	847,955	53,515
Capital outlay	696,172	572,028	124,144
Utility service fee	(1,575,660)	(1,575,660)	-
Total	438,992	261,223	177,769
<b>Print Shop:</b>			
Operating expenses	140,250	104,131	36,119
Utility service fee	(104,100)	(104,100)	-
Total	36,150	31	36,119
<b>Judicial Center:</b>			
Salaries	118,940	111,375	7,565
Employee benefits	31,930	31,665	265
Operating expenses	133,800	120,887	12,913
Capital outlay	106,083	101,128	4,955
Total	390,753	365,055	25,698
Total central services	865,895	626,309	239,586

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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Planning and Development:</b>			
<b>Planning Administration:</b>			
Salaries	359,910	359,905	5
Employee benefits	102,230	102,085	145
Operating expenses	38,050	34,263	3,787
Total	<u>500,190</u>	<u>496,253</u>	<u>3,937</u>
<b>Inspections:</b>			
Salaries	371,170	367,336	3,834
Employee benefits	99,300	98,522	778
Operating expenses	86,500	53,590	32,910
Capital outlay	10,200	10,162	38
Total	<u>567,170</u>	<u>529,610</u>	<u>37,560</u>
<b>Community Development:</b>			
Salaries	219,700	217,664	2,036
Employee benefits	52,530	47,739	4,791
Operating expenses	217,953	130,082	87,871
Capital outlay	11,446	11,446	-
Total	<u>501,629</u>	<u>406,931</u>	<u>94,698</u>
<b>Neighborhood Redevelopment:</b>			
Operating expenses	886,348	392,982	493,366
Total	<u>886,348</u>	<u>392,982</u>	<u>493,366</u>
Total planning and development	<u>2,455,337</u>	<u>1,825,776</u>	<u>629,561</u>
<b>Human Resources:</b>			
Salaries	595,120	595,072	48
Employee benefits	906,450	879,862	26,588
Operating expenses	465,753	115,544	350,209
Capital outlay	3,150	1,417	1,733
Utility service fee	(1,257,100)	(1,257,100)	-
Total human resources	<u>713,373</u>	<u>334,795</u>	<u>378,578</u>
<b>Human Relations:</b>			
Salaries	237,500	237,443	57
Employee benefits	66,600	65,647	953
Operating expenses	27,030	24,759	2,271
Total human relations	<u>331,130</u>	<u>327,849</u>	<u>3,281</u>
Total general government	<u>6,969,253</u>	<u>4,809,567</u>	<u>2,159,686</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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Public Safety:</b>			
<b>Police:</b>			
<b>Administration:</b>			
Salaries	751,180	750,867	313
Employee benefits	102,220	102,120	100
Operating expenses	158,420	155,477	2,943
Capital outlay	1,450	1,316	134
Total	1,013,270	1,009,780	3,490
<b>Support Services:</b>			
Salaries	2,301,780	2,300,560	1,220
Employee benefits	648,240	648,124	116
Operating expenses	472,513	439,836	32,677
Capital outlay	271,253	232,499	38,754
Total	3,693,786	3,621,019	72,767
<b>Special Operations:</b>			
Salaries	1,230,390	1,230,331	59
Employee benefits	345,630	345,621	9
Operating expenses	383,886	383,315	571
Capital outlay	61,510	59,729	1,781
Total	2,021,416	2,018,996	2,420
<b>Patrol Services:</b>			
Salaries	4,792,880	4,792,785	95
Employee benefits	1,534,530	1,534,520	10
Operating expenses	592,860	587,264	5,596
Capital outlay	391,000	271,112	119,888
Total	7,311,270	7,185,681	125,589
<b>Investigative Services:</b>			
Salaries	1,078,010	1,077,995	15
Employee benefits	310,750	310,651	99
Operating expenses	96,700	94,129	2,571
Capital outlay	20,000	19,293	707
Total	1,505,460	1,502,068	3,392
Total police	15,545,202	15,337,544	207,658

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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Fire:</b>			
<b>Administration:</b>			
Salaries	108,990	108,951	39
Employee benefits	87,090	82,055	5,035
Operating expenses	354,410	370,631	(16,221)
Capital outlay	75,588	74,219	1,369
Total	<u>626,078</u>	<u>635,856</u>	<u>(9,778)</u>
<b>Operations:</b>			
Salaries	6,792,290	6,791,379	911
Employee benefits	1,794,710	1,793,869	841
Operating expenses	680,731	678,967	1,764
Capital outlay	70,850	45,860	24,990
Total	<u>9,338,581</u>	<u>9,310,075</u>	<u>28,506</u>
<b>Prevention:</b>			
Salaries	381,830	381,735	95
Employee benefits	97,800	97,792	8
Operating expenses	25,091	24,857	234
Capital outlay	2,757	2,757	-
Total	<u>507,478</u>	<u>507,141</u>	<u>337</u>
<b>Training:</b>			
Salaries	245,010	244,997	13
Employee benefits	61,390	61,386	4
Operating expenses	39,028	38,891	137
Capital outlay	1,000	921	79
Total	<u>346,428</u>	<u>346,195</u>	<u>233</u>
Total fire	<u>10,818,565</u>	<u>10,799,267</u>	<u>19,298</u>
Total public safety	<u>26,363,767</u>	<u>26,136,811</u>	<u>226,956</u>
<b>Public Works:</b>			
<b>Administration:</b>			
Salaries	83,880	82,699	1,181
Employee benefits	21,250	21,117	133
Operating expenses	45,200	42,565	2,635
Total	<u>150,330</u>	<u>146,381</u>	<u>3,949</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, 2015**

	2015		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Street and ROW Maintenance:</b>			
Salaries	589,530	589,524	6
Employee benefits	200,360	194,289	6,071
Operating expenses	1,440,670	1,435,051	5,619
Capital outlay	370,000	233,719	136,281
Service charges	(433,000)	(433,098)	98
<b>Total</b>	<u>2,167,560</u>	<u>2,019,485</u>	<u>148,075</u>
<b>Housing Code Enforcement:</b>			
Salaries	452,830	452,796	34
Employee benefits	124,270	124,200	70
Operating expenses	352,138	346,171	5,967
Capital outlay	10,960	10,959	1
<b>Total</b>	<u>940,198</u>	<u>934,126</u>	<u>6,072</u>
<b>Environmental Service:</b>			
Salaries	1,645,826	1,645,746	80
Employee benefits	495,670	495,525	145
Operating expenses	4,358,944	4,336,348	22,596
Capital outlay	2,039,002	1,453,011	585,991
<b>Total</b>	<u>8,539,442</u>	<u>7,930,630</u>	<u>608,812</u>
<b>Fleet Maintenance:</b>			
Salaries	718,189	669,652	48,537
Employee benefits	204,730	196,450	8,280
Operating expenses	2,460,265	2,387,947	72,318
Capital outlay	20,000	18,929	1,071
Service charges	(3,301,899)	(3,246,922)	(54,977)
<b>Total</b>	<u>101,285</u>	<u>26,056</u>	<u>75,229</u>
<b>Total public works</b>	<u>11,898,815</u>	<u>11,056,678</u>	<u>842,137</u>
<b>Engineering:</b>			
<b>Administration:</b>			
Salaries	760,860	760,828	32
Employee benefits	201,780	191,331	10,449
Operating expenses	82,850	58,864	23,986
Capital outlay	1,000	997	3
Utility service fee	(512,100)	(512,100)	-
<b>Total</b>	<u>534,390</u>	<u>499,920</u>	<u>34,470</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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Traffic:</b>			
Salaries	478,530	478,481	49
Employee benefits	159,080	159,053	27
Operating expenses	356,120	328,286	27,834
Capital outlay	29,200	29,198	2
Utility service fee	(495,200)	(495,200)	-
Total	<u>527,730</u>	<u>499,818</u>	<u>27,912</u>
Total engineering	<u>1,062,120</u>	<u>999,738</u>	<u>62,382</u>
<b>Parks and Recreation:</b>			
<b>Administration:</b>			
Salaries	298,890	298,796	94
Employee benefits	82,330	80,748	1,582
Operating expenses	291,218	271,165	20,053
Total	<u>672,438</u>	<u>650,709</u>	<u>21,729</u>
<b>Athletics:</b>			
Salaries	310,300	309,870	430
Employee benefits	72,290	72,253	37
Operating expenses	191,200	184,546	6,654
Capital outlay	1,500	1,500	-
Total	<u>575,290</u>	<u>568,169</u>	<u>7,121</u>
<b>Cultural Arts:</b>			
Salaries	336,900	336,491	409
Employee benefits	76,660	72,640	4,020
Operating expenses	174,855	173,499	1,356
Capital outlay	273,673	258,085	15,588
Total	<u>862,088</u>	<u>840,715</u>	<u>21,373</u>
<b>Amusements and Special Events:</b>			
Salaries	51,140	50,067	1,073
Employee benefits	17,950	15,802	2,148
Operating expenses	257,690	235,840	21,850
Total	<u>326,780</u>	<u>301,709</u>	<u>25,071</u>
<b>Museum:</b>			
Salaries	270,895	270,877	18
Employee benefits	66,410	66,345	65
Operating expenses	105,350	104,531	819
Capital outlay	1,850	1,672	178
Total	<u>444,505</u>	<u>443,425</u>	<u>1,080</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, 2015

	2015		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Parks Maintenance:</b>			
Salaries	978,860	978,792	68
Employee benefits	274,500	274,401	99
Operating expenses	798,305	798,163	142
Capital outlay	177,506	158,770	18,736
Total	2,229,171	2,210,126	19,045
<b>Cemetery Operations:</b>			
Salaries	274,450	274,352	98
Employee benefits	83,560	82,871	689
Operating expenses	66,650	66,231	419
Capital outlay	11,650	11,236	414
Total	436,310	434,690	1,620
<b>Outdoor Programs:</b>			
Salaries	100,984	100,902	82
Employee benefits	7,760	7,719	41
Operating expenses	30,440	27,605	2,835
Total	139,184	136,226	2,958
<b>Neighborhood Programs:</b>			
Salaries	579,480	579,474	6
Employee benefits	89,590	89,552	38
Operating expenses	276,498	272,630	3,868
Capital outlay	3,950	3,949	1
Total	949,518	945,605	3,913
<b>Senior Programs:</b>			
Salaries	239,250	239,247	3
Employee benefits	51,450	51,414	36
Operating expenses	216,202	215,620	582
Capital outlay	23,461	7,191	16,270
Total	530,363	513,472	16,891
<b>Sports Complex:</b>			
Salaries	165,030	164,958	72
Employee benefits	28,610	28,567	43
Operating expenses	481,593	481,517	76
Capital outlay	88,000	87,961	39
Total	763,233	763,003	230

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, 2015

	2015		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Imperial Centre:</b>			
Salaries	317,490	316,793	697
Employee benefits	61,230	61,208	22
Operating expenses	548,935	547,610	1,325
Capital outlay	16,185	15,974	211
Total	<u>943,840</u>	<u>941,585</u>	<u>2,255</u>
Total parks and recreation	<u>8,872,720</u>	<u>8,749,434</u>	<u>123,286</u>
<b>Public Service:</b>			
Capital outlay	<u>2,512,280</u>	<u>701,330</u>	<u>1,810,950</u>
<b>Debt service expenditures:</b>			
Principal	3,791,484	3,791,484	-
Interest	418,705	409,987	8,718
Total debt service expenditures	<u>4,210,189</u>	<u>4,201,471</u>	<u>8,718</u>
Total expenditures	<u>61,889,144</u>	<u>56,655,029</u>	<u>5,234,115</u>
Revenues over (under) expenditures	<u>(9,954,655)</u>	<u>(4,229,144)</u>	<u>5,725,511</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,277,320)	(944,769)	332,551
Transfers from other funds	4,600,000	4,225,000	(375,000)
Installment purchase financing issued	1,758,000	797,000	(961,000)
Total other financing sources (uses):	<u>5,080,680</u>	<u>4,077,231</u>	<u>(1,003,449)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(4,873,975)</u>	<u>(151,913)</u>	<u>4,722,062</u>
Fund balance appropriated	<u>4,873,975</u>	<u>-</u>	<u>(4,873,975)</u>
Net change in fund balance	<u>\$ -</u>	<u>(151,913)</u>	<u>\$ (151,913)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>26,796,364</u>	
End of year, June 30		<u>\$ 26,644,451</u>	



## **NON MAJOR GOVERNMENTAL FUNDS**



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 985,497	\$ 1,095,042	\$ 2,080,539
Receivables - net:			
Ad valorem taxes	-	13,599	13,599
Other governmental agencies	621,193	29,333	650,526
Other	301,111	1,254	302,365
Prepaid items	99,000	-	99,000
Restricted cash and investments	554	2,173,807	2,174,361
Total assets	<u>\$ 2,007,355</u>	<u>\$ 3,313,035</u>	<u>\$ 5,320,390</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 135,736	\$ 5,780	\$ 141,516
Liabilities to be paid from restricted assets	554	-	554
Due to other funds	74,366	-	74,366
Total liabilities	<u>210,656</u>	<u>5,780</u>	<u>216,436</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	-	13,599	13,599
Total deferred inflows of resources	<u>-</u>	<u>13,599</u>	<u>13,599</u>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Prepaid items	99,000	-	99,000
<b>Restricted:</b>			
Stabilization by State statute	922,304	30,587	952,891
Future capital projects	-	2,173,807	2,173,807
Public safety	310,111	-	310,111
Parks and recreation	26,862	-	26,862
<b>Committed</b>			
Public service	574,086	-	574,086
Future capital projects	-	207,522	207,522
<b>Assigned</b>			
	-	881,740	881,740
<b>Unassigned</b>			
	(135,664)	-	(135,664)
Total fund balances	<u>1,796,699</u>	<u>3,293,656</u>	<u>5,090,355</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,007,355</u>	<u>\$ 3,313,035</u>	<u>\$ 5,320,390</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, 2015**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ 81,145	\$ 81,145
Intergovernmental	3,538,272	79,333	3,617,605
Project revenues	2,026,322	-	2,026,322
Investment earnings	425	1,493	1,918
Miscellaneous	22,791	2,550	25,341
Total revenues	<u>5,587,810</u>	<u>164,521</u>	<u>5,752,331</u>
<b>Expenditures:</b>			
General government	-	97,114	97,114
Public safety	214,667	69,883	284,550
Parks and recreation	21,985	821,261	843,246
Public service	4,576,496	485,370	5,061,866
Community revitalization	699,439	-	699,439
Economic development	136,816	-	136,816
Debt service:			
Principal	72,500	-	72,500
Interest	37,961	-	37,961
Total expenditures	<u>5,759,864</u>	<u>1,473,628</u>	<u>7,233,492</u>
Revenues over (under) expenditures	<u>(172,054)</u>	<u>(1,309,107)</u>	<u>(1,481,161)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	-	(500,000)
Transfers from other funds	422,407	457,613	880,019
Installment purchase financing issued	-	2,210,000	2,210,000
Total other financing sources (uses)	<u>(77,593)</u>	<u>2,667,613</u>	<u>2,590,019</u>
Net change in fund balances	(249,648)	1,358,506	1,108,858
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>2,046,347</u>	<u>1,935,150</u>	<u>3,981,497</u>
End of year, June 30	<u>\$ 1,796,699</u>	<u>\$ 3,293,656</u>	<u>\$ 5,090,355</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.

## **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 state funds received related to monthly charges 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, 2015**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 648,373	\$ -	\$ -
Receivables - net:			
Other governmental agencies	333,586	142,791	36,397
Other	291,177	2,356	-
Prepaid items	99,000	-	-
Restricted cash and investments	-	554	-
Total assets	<u>\$ 1,372,136</u>	<u>\$ 145,701</u>	<u>\$ 36,397</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 74,287	\$ 32,852	\$ 28,446
Liabilities to be paid from restricted assets	-	554	-
Due to other funds	-	69,061	3,870
Total liabilities	<u>74,287</u>	<u>102,467</u>	<u>32,316</u>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
Prepaid items	99,000		-
<b>Restricted:</b>			
Stabilization by State statute	624,763	145,147	36,397
Public safety	-	-	-
Parks and recreation	-	-	-
<b>Committed</b>			
	574,086	-	-
<b>Unassigned</b>			
	-	(101,913)	(32,316)
Total fund balance (deficit)	<u>1,297,849</u>	<u>43,234</u>	<u>4,081</u>
Total liabilities and fund balance	<u>\$ 1,372,136</u>	<u>\$ 145,701</u>	<u>\$ 36,397</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**Schedule D-1**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

	<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents/investments	\$ -	\$ 310,262	\$ 26,862	\$ 985,497
Receivables - net:				
Other governmental agencies	-	25,060	83,359	621,193
Other	7,578	-	-	301,111
Prepaid items	-	-	-	99,000
Restricted cash and investments	-	-	-	554
Total assets	<u>\$ 7,578</u>	<u>\$ 335,322</u>	<u>\$ 110,221</u>	<u>\$ 2,007,355</u>
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ -	\$ 151	\$ -	\$ 135,736
Liabilities to be paid from restricted assets	-	-	-	554
Due to other funds	1,435	-	-	74,366
Total liabilities	<u>1,435</u>	<u>151</u>	<u>-</u>	<u>210,656</u>
<b>Fund Balance:</b>				
<b>Nonspendable:</b>				
Prepaid items	-	-	-	99,000
<b>Restricted:</b>				
Stabilization by State statute	7,578	25,060	83,359	922,304
Public safety	-	310,111	-	310,111
Parks and recreation	-	-	26,862	26,862
<b>Committed</b>	-	-	-	574,086
<b>Unassigned</b>	(1,435)	-	-	(135,664)
Total fund balance (deficit)	<u>6,143</u>	<u>335,171</u>	<u>110,221</u>	<u>1,796,699</u>
Total liabilities and fund balance	<u>\$ 7,578</u>	<u>\$ 335,322</u>	<u>\$ 110,221</u>	<u>\$ 2,007,355</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, 2015**

	<b>Public Transportation Grants</b>	<b>Entitlement Grants</b>	<b>Crime/ Safety Control</b>
<b>Revenues:</b>			
Intergovernmental	\$ 1,727,319	\$ 716,763	\$ 201,796
Project revenues	2,011,191	15,131	-
Investment earnings	-	8	-
Miscellaneous	11,411	-	-
Total revenues	<u>3,749,921</u>	<u>731,902</u>	<u>201,796</u>
<b>Expenditures:</b>			
Public safety	-	-	214,667
Parks and recreation	-	-	21,985
Public service	4,132,634	-	-
Community revitalization	-	699,439	-
Economic development	-	-	-
Debt service:			
Principal	-	72,500	-
Interest	-	37,961	-
Total expenditures	<u>4,132,634</u>	<u>809,900</u>	<u>236,652</u>
Revenues over (under) expenditures	<u>(382,713)</u>	<u>(77,998)</u>	<u>(34,856)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	-	-	-
Transfers from other funds	324,195	50,000	37,962
Total other financing sources (uses)	<u>324,195</u>	<u>50,000</u>	<u>37,962</u>
Net change in fund balances	(58,519)	(27,998)	3,106
<b>Fund Balance:</b>			
Beginning of year, July 1	1,356,368	71,232	975
End of year , June 30	<u>\$ 1,297,849</u>	<u>\$ 43,234</u>	<u>\$ 4,081</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Schedule D-2

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
<b>Revenues:</b>				
Intergovernmental	\$ 110,833	\$ 300,718	\$ 480,843	\$ 3,538,272
Project revenues	-	-	-	2,026,322
Investment earnings	-	252	165	425
Miscellaneous	11,380	-	-	22,791
Total revenues	<u>122,213</u>	<u>300,970</u>	<u>481,008</u>	<u>5,587,810</u>
<b>Expenditures:</b>				
Public safety	-	-	-	214,667
Parks and recreation	-	-	-	21,985
Public service	-	443,862	-	4,576,496
Community revitalization	-	-	-	699,439
Economic development	136,816	-	-	136,816
Debt service:				
Principal	-	-	-	72,500
Interest	-	-	-	37,961
Total expenditures	<u>136,816</u>	<u>443,862</u>	<u>-</u>	<u>5,759,864</u>
Revenues over (under) expenditures	<u>(14,603)</u>	<u>(142,892)</u>	<u>481,008</u>	<u>(172,054)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	-	-	(500,000)	(500,000)
Transfers from other funds	10,250	-	-	422,407
Total other financing sources (uses)	<u>10,250</u>	<u>-</u>	<u>(500,000)</u>	<u>(77,593)</u>
Net change in fund balances	(4,353)	(142,892)	(18,992)	(249,648)
<b>Fund Balance:</b>				
Beginning of year, July 1	10,496	478,063	129,213	2,046,347
End of year , June 30	<u>\$ 6,143</u>	<u>\$ 335,171</u>	<u>\$ 110,221</u>	<u>\$ 1,796,699</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, 2015

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 5,024,810	\$ 1,833,558	1,727,319	\$ 3,560,877
Project revenues	3,824,003	1,736,688	2,011,191	3,747,879
Miscellaneous	5,000	33	11,411	11,444
Total revenues	<u>8,853,813</u>	<u>3,570,279</u>	<u>3,749,921</u>	<u>7,320,200</u>
<b>Expenditures:</b>				
<b>Public Service:</b>				
Operating	7,056,973	2,966,600	3,841,725	6,808,325
Capital outlay	2,657,785	905,972	290,909	1,196,881
Total expenditures	<u>9,714,758</u>	<u>3,872,572</u>	<u>4,132,634</u>	<u>8,005,206</u>
Revenues over (under) expenditures	<u>(860,945)</u>	<u>(302,293)</u>	<u>(382,713)</u>	<u>(685,006)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	450,982	63,928	324,195	388,123
Transfers to other funds	(25,000)	(25,000)	-	(25,000)
Fund balance appropriated	<u>434,963</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>860,945</u>	<u>38,928</u>	<u>324,195</u>	<u>363,123</u>
Adjustment for closed projects	<u>-</u>	<u>1,619,733</u>	<u>-</u>	<u>1,619,733</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,356,368</u>	<u>(58,519)</u>	<u>\$ 1,297,849</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>1,356,368</u>	
End of year, June 30			<u>\$ 1,297,849</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 1,510,519
Project revenues	1,995,315
Miscellaneous	<u>12,080</u>
Total revenues:	<u>3,517,914</u>
<b>Expenditures:</b>	
Operating	3,644,055
Capital outlay	<u>175,287</u>
Total expenditures:	<u>3,819,342</u>
Revenues over (under) expenditures	<u>\$ (301,428)</u>
Transfers from other funds	<u>288,379</u>
Adjustment to Fund Balance	<u>\$ (13,049)</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, 2015

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 16,054,172	\$ 12,127,462	716,763	\$ 12,844,225
Project revenues	1,993,921	2,111,360	15,131	2,126,491
Investment earnings	-	9,876	8	9,884
Miscellaneous	7,322	20,172	-	20,172
Total revenues	<u>18,055,415</u>	<u>14,268,870</u>	<u>731,902</u>	<u>15,000,772</u>
<b>Expenditures:</b>				
Community revitalization program:				
Operating	17,970,454	14,175,475	699,439	14,874,914
Capital outlay	9,249	9,248	-	9,248
Debt service:				
Principal	399,000	325,000	72,500	397,500
Interest	158,003	119,204	37,961	157,165
Total expenditures	<u>18,536,706</u>	<u>14,628,927</u>	<u>809,900</u>	<u>15,438,827</u>
Revenues over (under) expenditures	<u>(481,291)</u>	<u>(360,057)</u>	<u>(77,998)</u>	<u>(438,055)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	481,291	431,289	50,000	481,289
Total other financing sources (uses)	<u>481,291</u>	<u>431,289</u>	<u>50,000</u>	<u>481,289</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 71,232</u>	<u>(27,998)</u>	<u>\$ 43,234</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>71,232</u>	
End of year, June 30			<u>\$ 43,234</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, 2015

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 766,883	\$ 435,630	\$ 201,796	\$ 637,426
Investment earnings	4,650	4,838	-	4,838
Total revenues	<u>771,533</u>	<u>440,468</u>	<u>201,796</u>	<u>642,264</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Operating	452,142	231,079	110,477	341,556
Capital outlay	356,189	247,086	104,190	351,276
<b>Parks and Recreation:</b>				
Operating	<u>46,822</u>	<u>6,809</u>	<u>21,985</u>	<u>28,794</u>
Total expenditures	<u>855,153</u>	<u>484,974</u>	<u>236,652</u>	<u>721,626</u>
Revenues over (under) expenditures	<u>(83,620)</u>	<u>(44,506)</u>	<u>(34,856)</u>	<u>(79,362)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>83,620</u>	<u>45,481</u>	<u>37,962</u>	<u>83,443</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 975</u>	3,106	<u>\$ 4,081</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>975</u>	
End of year, June 30			<u>\$ 4,081</u>	

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

Revenues:	
Intergovernmental	\$ 187,938
Investment earnings	<u>20</u>
Total revenues:	<u>187,958</u>
Expenditures:	
Operating	170,979
Capital outlay	<u>36,831</u>
Total expenditures:	<u>207,810</u>
Revenues over (under) expenditures	\$ (19,852)
Transfers from other funds	<u>19,852</u>
	<u>\$ -</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, 2015

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 1,074,220	\$ 552,329	\$ 110,833	\$ 663,162
Miscellaneous	425,000	18,735	11,380	30,115
Investment earnings	-	10,496	-	10,496
Total revenues	<u>1,499,220</u>	<u>581,560</u>	<u>122,213</u>	<u>703,773</u>
<b>Expenditures:</b>				
<b>Economic development:</b>				
Operating	<u>1,849,738</u>	<u>1,003,472</u>	<u>136,816</u>	<u>1,140,288</u>
Total expenditures	<u>1,849,738</u>	<u>1,003,472</u>	<u>136,816</u>	<u>1,140,288</u>
Revenues over (under) expenditures	<u>(350,518)</u>	<u>(421,912)</u>	<u>(14,603)</u>	<u>(436,515)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>350,518</u>	<u>432,408</u>	<u>10,250</u>	<u>442,658</u>
Total other financing sources (uses)	<u>350,518</u>	<u>432,408</u>	<u>10,250</u>	<u>442,658</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,496</u>	<u>(4,353)</u>	<u>\$ 6,143</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>10,496</u>	
End of year, June 30			<u>\$ 6,143</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 346,000	\$ 300,718	\$ (45,282)
Investment earnings	-	252	252
Total revenues	<u>346,000</u>	<u>300,970</u>	<u>(45,030)</u>
<b>Expenditures:</b>			
Public service:			
Implemental functions	90,000	89,958	42
Telephone	127,525	127,520	5
Software maintenance	84,200	84,134	66
Hardware maintenance	1,775	1,768	7
Training	4,100	3,835	265
Capital outlay	<u>148,217</u>	<u>136,647</u>	<u>11,570</u>
Total expenditures	<u>455,817</u>	<u>443,862</u>	<u>11,955</u>
Revenues over (under) expenditures	<u>\$ (109,817)</u>	<u>(142,892)</u>	<u>\$ (33,075)</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>109,817</u>	-	<u>(109,817)</u>
Total other financing sources (uses)	<u>109,817</u>	-	<u>(109,817)</u>
Net change in fund balance	<u>\$ -</u>	<u>(142,892)</u>	<u>\$ (142,892)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>478,063</u>	
End of year, June 30		<u>\$ 335,171</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, 2015

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 5,995,000	\$ 5,602,371	\$ 480,843	\$ 6,083,214
Investment earnings	35,000	55,849	165	56,014
Total revenues	<u>6,030,000</u>	<u>5,658,220</u>	<u>481,008</u>	<u>6,139,228</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(6,030,000)</u>	<u>(5,529,007)</u>	<u>(500,000)</u>	<u>(6,029,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 129,213</u>	(18,992)	<u>\$ 110,221</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>129,213</u>	
End of year, June 30			<u>\$ 110,221</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.



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 887,520	\$ 207,522	\$ 1,095,042
Receivables - net:			
Ad valorem taxes	13,599	-	13,599
Other governmental agencies	29,333	-	29,333
Other	1,254	-	1,254
Restricted cash and investments	<u>2,173,807</u>	<u>-</u>	<u>2,173,807</u>
Total assets	<u>\$ 3,105,513</u>	<u>\$ 207,522</u>	<u>\$ 3,313,035</u>
<b>Liabilities:</b>			
Accounts payable	<u>5,780</u>	<u>-</u>	<u>5,780</u>
Total liabilities	<u>5,780</u>	<u>-</u>	<u>5,780</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	<u>13,599</u>	<u>-</u>	<u>13,599</u>
Total deferred inflows of resources	<u>13,599</u>	<u>-</u>	<u>13,599</u>
<b>Fund Balance:</b>			
<b>Restricted:</b>			
Stabilization by State statute	30,587	-	30,587
Future capital projects	2,173,807	-	2,173,807
<b>Committed</b>	-	207,522	207,522
<b>Assigned</b>	<u>881,740</u>	<u>-</u>	<u>881,740</u>
Total fund balance	<u>3,086,134</u>	<u>207,522</u>	<u>3,293,656</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,105,513</u>	<u>\$ 207,522</u>	<u>\$ 3,313,035</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, 2015**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Taxes	\$ 81,145	\$ -	\$ 81,145
Intergovernmental	79,333	-	79,333
Investment earnings	1,490	3	1,493
Miscellaneous	-	2,550	2,550
Total revenues	<u>161,968</u>	<u>2,553</u>	<u>164,521</u>
<b>Expenditures:</b>			
General government	97,114	-	97,114
Public safety	69,883	-	69,883
Parks and recreation	817,105	4,156	821,261
Public service	-	485,370	485,370
Total expenditures	<u>984,102</u>	<u>489,526</u>	<u>1,473,628</u>
Revenues over (under) expenditures	<u>(822,134)</u>	<u>(486,973)</u>	<u>(1,309,107)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	29,333	428,280	457,613
Installment purchase financing issued	2,210,000	-	2,210,000
Total other financing sources (uses)	<u>2,239,333</u>	<u>428,280</u>	<u>2,667,613</u>
Net change in fund balances	1,417,199	(58,693)	1,358,506
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,668,935</u>	<u>266,215</u>	<u>1,935,150</u>
End of year - June 30	<u>\$ 3,086,134</u>	<u>\$ 207,522</u>	<u>\$ 3,293,656</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 79,000	\$ 81,145	\$ 2,145
Intergovernmental	93,892	79,333	(14,560)
Project revenues	127,120	-	(127,120)
Investment earnings	1,000	1,490	490
Total revenues	<u>301,012</u>	<u>161,968</u>	<u>(139,044)</u>
<b>Expenditures:</b>			
General government	174,404	97,114	77,290
Public safety	226,056	69,883	156,173
Parks and recreation	<u>3,511,312</u>	<u>817,105</u>	<u>2,694,207</u>
Total expenditures	<u>3,911,772</u>	<u>984,102</u>	<u>2,927,670</u>
Revenues over (under) expenditures	<u>(3,610,760)</u>	<u>(822,134)</u>	<u>2,788,626</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	214,434	29,333	(185,102)
Installment purchase financing issued	1,936,000	2,210,000	274,000
Fund balance appropriated	<u>1,460,326</u>	<u>-</u>	<u>(1,460,326)</u>
Total other financing sources (uses)	<u>3,610,760</u>	<u>2,239,333</u>	<u>(1,371,428)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,417,199</u>	<u>\$ 1,417,199</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>1,668,935</u>	
End of year, June 30		<u>\$ 3,086,134</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, 2015

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 6,115,114	\$ 6,007,489	\$ -	\$ 6,007,489
Investment earnings	-	63,605	3	63,608
Miscellaneous	4,976,535	4,932,244	2,550	4,934,794
Total revenues	<u>11,091,649</u>	<u>11,003,338</u>	<u>2,553</u>	<u>11,005,891</u>
<b>Expenditures:</b>				
Parks and recreation	951,500	702,672	4,156	706,828
Public service	17,930,478	17,151,251	485,370	17,636,621
Total expenditures	<u>18,881,978</u>	<u>17,853,923</u>	<u>489,526</u>	<u>18,343,449</u>
Revenues over (under) expenditures	<u>(7,790,329)</u>	<u>(6,850,585)</u>	<u>(486,973)</u>	<u>(7,337,558)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	4,990,329	4,316,800	428,280	4,745,080
Debt financing issued	2,800,000	2,800,000	-	2,800,000
Total other financing sources (uses)	<u>7,790,329</u>	<u>7,116,800</u>	<u>428,280</u>	<u>7,545,080</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 266,215</u>	<u>(58,693)</u>	<u>\$ 207,522</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>266,215</u>	
End of year, June 30			<u>\$ 207,522</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 772,000
Miscellaneous	52,000
Total revenues	<u>824,000</u>
<b>Expenditures:</b>	
Parks and recreation	<u>1,533,009</u>
Expenditures:	<u>1,533,009</u>
Revenues under expenditures	<u>(709,009)</u>
Transfers from other funds	<u>709,009</u>
	<u>\$ -</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.

### **Stormwater 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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 90,715,000	\$ 91,929,928	\$ 1,214,928
Other operating revenue	1,103,347	1,129,416	26,069
Other nonoperating revenue	99,000	70,880	(28,120)
Grants and subsidies	2,500	-	(2,500)
Investment earnings	24,150	20,761	(3,389)
Total revenues	<u>91,943,997</u>	<u>93,150,985</u>	<u>1,206,988</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	2,109,942	2,091,582	18,360
Employee benefits	916,410	864,965	51,445
Electric power purchase	73,261,000	72,729,666	531,334
Operating expense	6,919,755	6,381,947	537,808
Engineering:			
Salaries	805,150	797,247	7,903
Employee benefits	223,660	223,589	71
Operating expense	593,200	456,753	136,447
Energy services:			
Salaries	746,850	737,469	9,381
Employee benefits	212,350	197,720	14,630
Operating expense	667,980	237,681	430,299
Budgetary appropriations:			
Capital outlay	3,934,086	2,553,070	1,381,016
Debt services expenditures	1,481,910	1,470,091	11,819
Appropriation to school system	217,960	217,956	4
Total expenditures and budgetary appropriations	<u>92,090,253</u>	<u>88,959,736</u>	<u>3,130,517</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(146,256)</u>	<u>4,191,249</u>	<u>4,337,505</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,700,000)	(1,700,000)	-
Installment purchase financing issued	245,000	245,000	-
Fund balance appropriated	1,601,256	-	(1,601,256)
Total other financing sources (uses)	<u>146,256</u>	<u>(1,455,000)</u>	<u>(1,601,256)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 2,736,249</u>	<u>\$ 2,736,249</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 2,736,249	
Depreciation		(1,840,894)	
Debt principal		1,403,167	
Capitalized capital outlay		2,028,545	
Gain (loss) on retirement/transfer of assets		(503,789)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		225,376	
Pension expense		(10,995)	
Debt issued		(245,000)	
Change in net position		<u>\$ 3,792,659</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 26,100,000	\$ 26,993,761	\$ 893,761
Other operating revenue	170,440	199,921	29,481
Investment earnings	10,000	15,444	5,444
Total revenues	<u>26,280,440</u>	<u>27,209,126</u>	<u>928,686</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	1,033,930	1,033,187	743
Employee benefits	577,860	547,266	30,594
Natural gas purchases	15,785,000	14,881,099	903,901
Operating expense	6,195,731	5,250,296	945,435
Budgetary appropriations:			
Capital outlay	2,356,642	1,868,143	488,499
Debt services expenditures	288,180	288,172	8
Appropriation to school system	264,350	264,350	-
Total expenditures and budgetary appropriations	<u>26,501,693</u>	<u>24,132,513</u>	<u>2,369,180</u>
Revenues over (under) expenditures	<u>(221,253)</u>	<u>3,076,613</u>	<u>3,297,866</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,900,000)	(1,900,000)	-
Fund balance appropriated	2,121,253	-	(2,121,253)
Total other financing sources (uses)	<u>221,253</u>	<u>(1,900,000)</u>	<u>(2,121,253)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,176,613</u>	<u>\$ 1,176,613</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 1,176,613	
Depreciation		(792,043)	
Debt principal		279,066	
Capitalized capital outlay		3,048,061	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		74,174	
Pension expense		(3,619)	
Change in net position		<u>\$ 3,782,252</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 10,820,000	\$ 10,664,276	\$ (155,724)
Licenses and permits	40,000	61,813	21,813
Other operating revenue	216,080	216,679	599
Other nonoperating revenue	-	10,775	10,775
Investment earnings	14,000	16,002	2,002
Total revenues	<u>11,090,080</u>	<u>10,969,545</u>	<u>(120,535)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Water treatment plants:			
Salaries	1,530,573	1,517,835	12,738
Employee benefits	698,951	656,227	42,724
Operating expense	4,038,162	3,205,117	833,045
Water services:			
Salaries	732,720	729,288	3,432
Employee benefits	221,300	214,534	6,766
Operating expense	2,022,590	1,945,841	76,749
Budgetary appropriations:			
Capital outlay	1,958,553	684,242	1,274,311
Debt services expenditures	1,031,980	1,000,270	31,710
Appropriation to school system	120,570	120,570	-
Total expenditures and budgetary appropriations	<u>12,355,399</u>	<u>10,073,924</u>	<u>2,281,475</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,265,319)</u>	<u>895,621</u>	<u>2,160,940</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	(125,000)	375,000
Installment purchase financing issued	540,000	-	(540,000)
Fund balance appropriated	1,225,319	-	(1,225,319)
Total other financing sources (uses)	<u>1,265,319</u>	<u>(125,000)</u>	<u>(1,390,319)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 770,621</u>	<u>\$ 770,621</u>
<b>Reconciliation from Budgetary Basis</b>			
<b>(Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 770,621	
Depreciation		(1,603,900)	
Debt principal		954,159	
Capitalized capital outlay		382,506	
Gain (loss) on retirement/transfer of assets		(5,718)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		185,435	
Pension expense		<u>(9,046)</u>	
Change in net position		<u>\$ 674,057</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,850,000	\$ 11,756,097	\$ (93,903)
Licenses and permits	36,900	50,506	13,606
Other operating revenue	241,250	256,429	15,179
Investment earnings	21,000	35,209	14,209
Total revenues	<u>12,149,150</u>	<u>12,098,241</u>	<u>(50,909)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Waste water treatment plants:			
Salaries	1,099,160	1,092,969	6,191
Employee benefits	548,291	510,398	37,893
Operating expense	5,234,007	4,966,963	267,044
Sewer services:			
Salaries	589,590	589,550	40
Employee benefits	166,750	166,272	478
Operating expense	2,429,990	2,185,411	244,579
Budgetary appropriations:			
Capital outlay	2,316,007	604,909	1,711,098
Debt services expenditures	1,578,810	1,557,173	21,637
Appropriation to school system	200,960	200,960	-
Total expenditures and budgetary appropriations	<u>14,163,565</u>	<u>11,874,605</u>	<u>2,288,960</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,014,415)</u>	<u>223,636</u>	<u>2,238,051</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(10,250)	(10,250)	-
Installment purchase financing issued	772,000	772,000	-
Fund balance appropriated	1,252,665	-	(1,252,665)
Total other financing sources (uses)	<u>2,014,415</u>	<u>761,750</u>	<u>(1,252,665)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>\$ 985,386</u>	<u>\$ 985,386</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 985,386	
Depreciation		(1,929,825)	
Debt principal		1,336,615	
Capitalized capital outlay		165,955	
Gain (loss) on retirement/transfer of assets		(864,971)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		122,673	
Pension expense		(5,985)	
Debt issued		<u>(772,000)</u>	
Change in net position		<u>\$ (962,152)</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 4,040,090	\$ 4,040,905	\$ 815
Other operating revenue	33,500	55,640	22,140
Investment earnings	3,500	5,100	1,600
Total revenues	<u>4,077,090</u>	<u>4,101,645</u>	<u>24,555</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Stormwater management:			
Salaries	164,168	164,168	-
Employee benefits	46,045	46,041	4
Operating expense	680,343	674,348	5,995
Stormwater operations:			
Salaries	1,353,120	1,353,116	4
Employee benefits	537,010	409,067	127,943
Operating expense	452,506	378,530	73,976
Budgetary appropriations:			
Capital outlay	975,202	325,996	649,206
Debt services expenditures	447,129	447,127	2
Total expenditures and budgetary appropriations	<u>4,655,523</u>	<u>3,798,393</u>	<u>857,130</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(578,433)</u>	<u>303,252</u>	<u>881,685</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	75,000	75,000	-
Installment purchase financing issued	205,000	220,000	15,000
Fund balance appropriated	298,433	-	(298,433)
Total other financing sources (uses)	<u>578,433</u>	<u>295,000</u>	<u>(283,433)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 598,252</u>	<u>\$ 598,252</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 598,252	
Depreciation		(328,938)	
Debt principal		426,966	
Capitalized capital outlay		251,772	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		111,261	
Pension expense		(5,428)	
Debt issued		<u>(220,000)</u>	
Change in net position		<u>\$ 833,885</u>	



## **INTERNAL SERVICE FUNDS**

Internal Service funds are used to account for intragovernmental services or any shared type service.

### **Risk Management Fund**

This fund is established to manage the City's self-insurance revenues and expenditures.

### **Communications Fund**

This fund is established to manage the City's radio and telephone expenditures.



**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>			
Current Assets:			
Other	\$ 8,212	\$ -	\$ 8,212
Restricted cash and investments	<u>821,053</u>	<u>476,090</u>	<u>1,297,143</u>
Total current assets	<u>829,265</u>	<u>476,090</u>	<u>1,305,355</u>
Noncurrent Assets:			
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>-</u>	<u>529,437</u>	<u>529,437</u>
Total noncurrent assets	<u>-</u>	<u>529,437</u>	<u>529,437</u>
Total assets	<u>\$ 821,053</u>	<u>\$ 1,005,527</u>	<u>\$ 1,826,580</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable and accrued expenditures	\$ 83,956	\$ 24,633	\$ 108,589
Due to other funds	-	14,166	14,166
Current accrued compensated absences	-	6,660	6,660
Current maturities of long-term debt	<u>-</u>	<u>158,667</u>	<u>158,667</u>
Total current liabilities	<u>83,956</u>	<u>204,126</u>	<u>288,082</u>
Noncurrent Liabilities:			
Accrued compensated absences	-	4,403	4,403
Noncurrent portion of long-term debt	<u>-</u>	<u>304,111</u>	<u>304,111</u>
Total noncurrent liabilities	<u>-</u>	<u>308,514</u>	<u>308,514</u>
Total liabilities	<u>83,956</u>	<u>512,640</u>	<u>596,596</u>
<b>Fund Balance:</b>			
Restricted	<u>737,097</u>	<u>492,887</u>	<u>1,229,984</u>
Total fund balance	<u>737,097</u>	<u>492,887</u>	<u>1,229,984</u>
Total liabilities and fund balances	<u>\$ 821,053</u>	<u>\$ 1,005,527</u>	<u>\$ 1,826,580</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Revenues:</b>			
Insurance premiums	\$ 6,895,447	\$ -	\$ 6,895,447
User charges	-	1,006,409	1,006,409
Total revenues	<u>6,895,447</u>	<u>1,006,409</u>	<u>7,901,856</u>
<b>Expenditures:</b>			
Risk management	6,716,971	-	6,716,971
Communications	-	1,042,510	1,042,510
Debt service:			-
Principal	-	13,222	
Interest	-	449	449
Total expenditures	<u>6,716,971</u>	<u>1,056,181</u>	<u>7,759,930</u>
Revenues over (under) expenditures	<u>178,476</u>	<u>(49,772)</u>	<u>141,926</u>
<b>Other Financing Sources (Uses):</b>			
Installment purchase financing issued	-	476,000	476,000
Total other financing sources (uses)	<u>-</u>	<u>476,000</u>	<u>476,000</u>
Net change in fund balances	178,476	426,228	617,926
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>566,833</u>	<u>-</u>	<u>566,833</u>
End of year - June 30	<u>\$ 745,309</u>	<u>\$ 426,228</u>	<u>\$ 1,184,759</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 6,897,416	\$ 1,006,409	\$ 7,903,825
Payments to suppliers for goods and services	(6,763,650)	(615,415)	(7,379,065)
Payments to or on behalf of employees	<u>-</u>	<u>(165,500)</u>	<u>(165,500)</u>
Net cash provided (used) by operating activities	<u>133,766</u>	<u>225,494</u>	<u>359,260</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Payments due (from) to other funds	<u>-</u>	<u>14,166</u>	<u>14,166</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>14,166</u>	<u>14,166</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Debt issued	-	476,000	476,000
Acquisition and construction of capital assets	-	(225,899)	(225,899)
Interest paid	-	(449)	(449)
Principal payments on long-term debt	<u>-</u>	<u>(13,222)</u>	<u>(13,222)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>236,430</u>	<u>236,430</u>
Net increase (decrease) in cash and cash equivalents/investments	133,766	476,090	609,856
<b>Cash and Cash Equivalents/Investments:</b>			
Beginning of year, July 1	<u>687,287</u>	<u>-</u>	<u>687,287</u>
End of year, June 30	<u>\$ 821,053</u>	<u>\$ 476,090</u>	<u>\$ 1,297,143</u>
Restricted cash and investments	<u>\$ 821,053</u>	<u>\$ 476,090</u>	<u>\$ 1,297,143</u>
	<u>\$ 821,053</u>	<u>\$ 476,090</u>	<u>\$ 1,297,143</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ 178,476	\$ 168,536	\$ 347,012
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and amortization	-	21,262	21,262
<b>Change in Assets and Liabilities:</b>			
(Increase) decrease in receivables and assessments	1,969	-	1,969
Increase (decrease) in accounts payable and accrued expenses	(46,679)	24,633	(22,046)
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>-</u>	<u>11,063</u>	<u>11,063</u>
Net cash provided (used) by operating activities	<u>\$ 133,766</u>	<u>\$ 225,494</u>	<u>\$ 359,260</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUND- RISK MANAGEMENT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Insurance premiums	\$ 6,550,000	\$ 6,895,447	\$ 345,447
<b>Expenditures:</b>			
Insurance claims	6,550,000	4,935,133	1,614,867
Administrative fees	-	1,781,838	(1,781,838)
Total expenditures	<u>6,550,000</u>	<u>6,716,971</u>	<u>(166,971)</u>
Revenues and other financing sources over expenditures and other financing uses	(under) <u>\$ -</u>	178,476	<u>\$ 178,476</u>
<b>Net Position:</b>			
Beginning of year, July 1		<u>566,833</u>	
End of year, June 30		<u>\$ 745,309</u>	

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**INTERNAL SERVICE FUND- COMMUNICATIONS  
SCHEDULE OF REVENUES AND EXPENDITURES  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 1,022,220	\$ 1,006,409	\$ (15,811)
<b>Expenditures:</b>			
Salaries	158,010	141,656	16,354
Employee benefits	40,960	34,907	6,053
Operating expense	583,250	461,664	121,586
Capital outlay	1,200,000	404,283	795,717
Debt services expenditures	-	13,671	(13,671)
Total expenditures	<u>1,982,220</u>	<u>1,056,181</u>	<u>926,039</u>
Revenues over (under) expenditures	<u>(960,000)</u>	<u>(49,772)</u>	<u>910,228</u>
<b>Other Financing Sources (Uses):</b>			
Installment purchase financing issued	<u>960,000</u>	<u>476,000</u>	<u>(484,000)</u>
Total other financing sources (uses)	<u>960,000</u>	<u>476,000</u>	<u>(484,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 426,228</u>	<u>\$ 426,228</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	\$ 426,228
Depreciation	(21,262)
Debt principal	13,222
Capitalized capital outlay	225,899
Gain (loss) on retirement/transfer of assets	324,800
Debt issued	<u>(476,000)</u>
Change in net position	<u>\$ 492,887</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 FUND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Community Development and Governmental Activities Fund:</b>	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
Assets:				
Cash and cash equivalents/investments	\$ 452,525	\$ 194,798	\$ 189,926	\$ 457,396
Other receivable	-	247	-	247
Total assets	<u>\$ 452,525</u>	<u>\$ 195,045</u>	<u>\$ 189,926</u>	<u>\$ 457,643</u>
Liabilities:				
Accounts payable	\$ 354	\$ -	\$ 354	\$ -
Due to other governmental agency	452,171	195,045	189,572	457,643
Total liabilities	<u>\$ 452,525</u>	<u>\$ 195,045</u>	<u>\$ 189,926</u>	<u>\$ 457,643</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, 2015

Year	Uncollected Balance 6/30/2014	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2015
2014-2015		\$ 23,255,838	\$ 22,562,575	\$ 693,263
2013-2014	\$ 893,558	2,992	358,759	537,791
2012-2013	574,930	203	121,735	453,398
2011-2012	418,749	85	53,487	365,347
2010-2011	338,570	93	34,066	304,597
2009-2010	279,641	-	18,456	261,185
2008-2009	223,324	-	12,577	210,747
2007-2008	189,266	-	7,085	182,181
2006-2007	176,009	-	5,096	170,912
2005-2006	128,967	-	3,910	125,056
2004-2005	119,348	79	57,874	61,552
2003-2004	53,995	10	41,877	12,128
2002-2003	14,876	-	14,876	-
	<u>\$ 3,411,234</u>	<u>\$ 23,259,300</u>	<u>\$ 23,292,372</u>	3,378,157
Allowance for uncollectible ad valorem taxes receivable				<u>(1,790,515)</u>
Ad valorem taxes receivable, net				<u>\$ 1,587,642</u>
<b>Reconciliation with Revenue:</b>				
Taxes				\$23,415,767
Penalties and interest				<u>(263,206)</u>
Total				<u>23,152,561</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				22,659,424
Prior years				<u>493,137</u>
				23,152,561
Releases and transfers from interest				38,514
Other				<u>101,297</u>
Total collections and credits				<u>\$ 23,292,372</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR YEAR ENDED JUNE 30, 2015

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate:					
Real property	\$3,075,176,685	0.58	\$17,836,026	\$17,836,026	\$-
Personal property	811,232,886	0.58	4,705,151	2,660,481	2,044,670
Public service property	81,293,371	0.58	471,502	471,502	-
	<u>3,967,702,941</u>		<u>23,012,679</u>	<u>20,968,009</u>	<u>2,044,670</u>
Discoveries	17,673,246	0.55	97,203	97,203	-
Discoveries	20,247,168	0.58	117,434	117,434	-
Refunds	4,917,574	0.58	28,522	28,522	-
Total property valuation	<u>\$4,010,540,929</u>				
Net levy			23,255,838	21,211,168	2,044,670
Uncollected taxes at June 30, 2015			<u>693,263</u>	<u>690,428</u>	<u>2,835</u>
Current year's taxes collected			<u>\$22,562,575</u>	<u>\$20,520,740</u>	<u>\$2,041,835</u>
Percent of current year taxes collected			<u>97.02%</u>	<u>96.74%</u>	<u>99.86%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Transfers to Fund:</u>	<b>Transfers from Fund:</b>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>
General		\$ 500,000
Stormwater	75,000	
<b>Capital Project Funds:</b>		
Capital General	29,333	
Capital Development	428,280	
<b>Special Revenue:</b>		
Entitlement Grants	50,000	
Public Transportation	324,195	
Economic Development		
Crime/Safety Control	37,962	
Total	<u>\$ 944,770</u>	<u>\$ 500,000</u>

SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2015

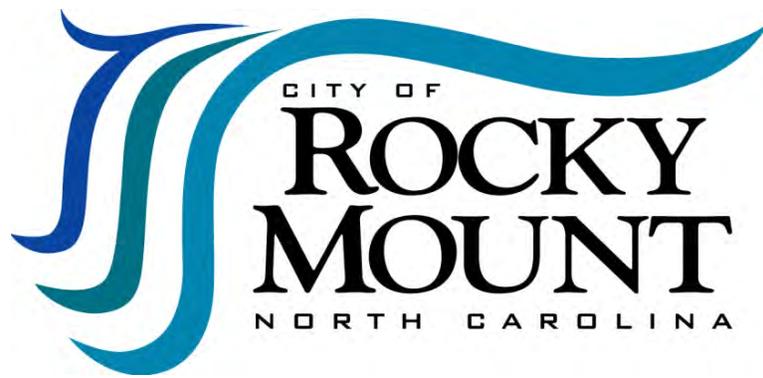
Transfers from Fund:

Enterprise Funds

Transfers to Fund:	Electric	Gas	Water	Sewer	Stormwater	Total
General	\$ 1,700,000	\$ 1,900,000	\$ 125,000			\$ 4,225,000
Stormwater						75,000
<b>Capital Project Funds:</b>						
Capital General						29,333
Capital Development						428,280
<b>Special Revenue:</b>						
Entitlement Grants						50,000
Public Transportation						324,195
Economic Development				10,250		10,250
Crime/Safety Control						37,962
Total	\$ 1,700,000	\$ 1,900,000	\$ 125,000	\$ 10,250	\$ -	\$ 5,180,020



**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  
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Governmental Fund Capital Assets:</b>		
Land and land improvements	\$ 28,346,923	\$ 29,628,651
Buildings	59,121,856	69,534,384
Equipment	48,383,246	42,560,754
Infrastructure	54,463,033	54,071,798
Construction in progress	<u>252,354</u>	<u>85,552</u>
Total governmental funds capital assets	<u>\$ 190,567,412</u>	<u>\$ 195,881,139</u>
<b>Investment in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 185,644,867	\$ 177,550,191
Special revenue funds	4,922,545	4,816,826
Rocky Mount/Wilson Airport	<u>-</u>	<u>13,514,122</u>
Total governmental funds capital assets	<u>\$ 190,567,412</u>	<u>\$ 195,881,139</u>

**Note: Amounts presented above exclude accumulated depreciation.**

**Prior year reflected airport assets in the totals, current year reflects investment in joint venture.**

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2015**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
<b>General Government:</b>			
Mayor and Council	2,366,798	-	12,159
City Clerk	1,942,790	142,691	58,502
City Manager	-	17,238	117,601
Finance	3,207	101,401	3,583,621
Central services	1,363,697	23,756,590	3,625,738
Human resources	-	5,229	30,255
Total general government	<u>5,676,491</u>	<u>24,023,149</u>	<u>7,427,877</u>
Transit	<u>221,062</u>	<u>97,128</u>	<u>4,604,355</u>
<b>Public Safety:</b>			
Police	63,128	586,910	5,831,913
Fire	<u>66,075</u>	<u>5,734,198</u>	<u>8,588,331</u>
Total public safety	<u>129,203</u>	<u>6,321,108</u>	<u>14,420,244</u>
Public works	<u>740,002</u>	<u>4,575,720</u>	<u>13,655,396</u>
Engineering	<u>2,090,765</u>	<u>173,206</u>	<u>1,008,989</u>
Parks and recreation	<u>19,481,700</u>	<u>23,829,793</u>	<u>5,639,008</u>
Internal Service Fund - Communications	<u>7,700</u>	<u>101,752</u>	<u>1,627,376</u>
Total general capital assets	<u>28,346,923</u>	<u>59,121,856</u>	<u>48,383,246</u>

**Note: Amounts presented above exclude accumulated depreciation.**

**Schedule J-2**

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
-	-	2,378,957
-	-	2,143,983
-	-	134,839
-	-	3,688,229
762,487	-	29,508,512
-	-	35,484
<u>762,487</u>	<u>-</u>	<u>37,890,004</u>
-	-	4,922,545
62,463	-	6,544,414
-	-	14,388,604
<u>62,463</u>	<u>-</u>	<u>20,933,018</u>
<u>52,419,733</u>	<u>85,552</u>	<u>71,476,403</u>
-	-	3,272,960
<u>1,106,425</u>	<u>131,675</u>	<u>50,188,601</u>
<u>111,925</u>	<u>35,128</u>	<u>1,883,881</u>
<u>54,463,033</u>	<u>252,354</u>	<u>190,567,412</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, 2015

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
<b>General Government:</b>				
Mayor and Council	2,378,957	-	-	\$ 2,378,957
City Clerk	2,166,273	-	22,290	\$ 2,143,983
City Manager	119,771	15,068	-	\$ 134,839
Finance	2,520,611	1,256,931	89,313	\$ 3,688,229
Central services	28,869,034	756,176	116,698	\$ 29,508,512
Human resources	27,469	8,015	-	\$ 35,484
Total general government	<u>36,082,115</u>	<u>2,036,190</u>	<u>228,301</u>	<u>37,890,004</u>
Transit	<u>4,816,826</u>	<u>299,179</u>	<u>193,460</u>	<u>4,922,545</u>
<b>Public Safety:</b>				
Police	5,848,665	896,718	200,969	\$ 6,544,414
Fire	<u>14,333,688</u>	<u>68,531</u>	<u>13,615</u>	<u>14,388,604</u>
Total public safety	<u>20,182,353</u>	<u>965,249</u>	<u>214,584</u>	<u>20,933,018</u>
Public works	<u>70,281,495</u>	<u>2,316,860</u>	<u>1,121,952</u>	<u>71,476,403</u>
Engineering	<u>2,847,757</u>	<u>449,387</u>	<u>24,184</u>	<u>3,272,960</u>
Parks and recreation	<u>48,156,472</u>	<u>2,076,081</u>	<u>43,952</u>	<u>50,188,601</u>
Internal Service Fund-Communications	<u>-</u>	<u>9,582,028</u>	<u>7,698,147</u>	<u>1,883,881</u>
Total general fixed assets	<u>\$ 182,367,018</u>	<u>\$ 17,724,974</u>	<u>\$ 9,524,580</u>	<u>\$ 190,567,412</u>

**Note: Amounts presented above exclude accumulated depreciation.**

**Prior year reflected airport assets in the amount of 13,514,122, FY2015 does not reflect airport assets.**

# 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 POSITION BY COMPONENT**

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292	\$ 94,306,305	\$ 93,284,378	\$ 101,937,388	\$ 96,137,124
Restricted	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949	14,204,158	11,415,537	11,808,340
Unrestricted	18,404,926	24,105,474	26,804,792	20,930,383	17,374,814	11,714,287	4,972,591	11,002,491	14,645,780	14,213,439
Total governmental activities net position	\$ 106,063,710	\$ 107,684,247	\$ 111,347,407	\$ 109,913,653	\$ 107,125,917	\$ 111,502,500	\$ 116,481,845	\$ 118,491,027	\$ 127,998,705	\$ 122,158,903
<b>Business-type activities</b>										
Net investment in capital assets	101,764,488	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316	\$ 127,857,818	\$ 129,112,028	\$ 131,834,630	\$ 132,597,894
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	20,982,144	22,720,072	27,990,145	28,525,650	34,419,807	36,869,650	35,229,343	40,230,619	45,598,769	51,243,421
Total business-type activities	\$ 122,746,632	\$ 130,484,391	\$ 137,722,575	\$ 143,575,396	\$ 154,593,525	\$ 160,563,966	\$ 163,087,161	\$ 169,342,647	\$ 177,433,399	\$ 183,841,315
<b>Primary government</b>										
Net investment in capital assets	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608	\$ 222,164,123	\$ 222,396,406	\$ 233,772,018	\$ 228,735,018
Restricted	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949	14,204,158	11,415,537	11,808,340
Unrestricted	39,387,070	46,825,546	54,794,937	49,456,033	51,794,621	48,583,937	40,201,934	51,233,110	60,244,549	65,456,860
Total primary government net position	\$ 228,810,342	\$ 238,168,638	\$ 249,069,982	\$ 253,489,049	\$ 261,719,442	\$ 272,066,466	\$ 279,569,006	\$ 287,833,674	\$ 305,432,104	\$ 306,000,218
<b>City of Rocky Mount Theatre, LLC</b>										
Net investment in capital assets	\$ 724,066	\$ 1,122,029	\$ 898,194	\$ 672,079	\$ 441,663	\$ 258,691	\$ 48,101	\$ 6,336,511	\$ -	\$ -
Restricted	205,342	172,397	139,451	106,414	73,468	40,522	7,576	-	-	-
Unrestricted	(156,261)	100	100	100	100	(47,344)	(67,170)	(137,067)	-	-
Total City of Rocky Mount Theatre, LLC net assets	\$ 773,147	\$ 1,294,526	\$ 1,037,745	\$ 778,593	\$ 515,231	\$ 251,869	\$ (11,493)	\$ 6,199,444	\$ -	\$ -

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

Notes: Data is presented for FY2013 with GASB statement G3 implementation. Net assets is now Net position.

Data is presented for FY2013 with GASB statement G3 implementation. Net investment in Capital assets replaces Invested in Capital assets, net of related debt.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET POSITION**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,134,845	\$ 5,828,638	\$ 6,637,786	\$ 6,710,733	\$ 7,092,390	\$ 5,865,807	\$ 2,541,551	\$ 6,880,948	\$ 9,044,265	\$ 4,615,284
Public safety	20,571,641	20,528,191	21,873,680	23,102,694	24,944,618	25,816,170	25,859,954	24,923,980	25,449,659	25,597,650
Public Works	8,603,044	8,105,415	8,722,496	8,858,447	8,996,638	7,197,559	9,825,999	8,109,154	9,453,179	10,706,055
Engineering	939,634	984,492	1,139,983	941,982	658,083	186,997	811,304	915,057	814,945	583,199
Parks and recreation	9,217,034	8,241,393	7,844,487	8,148,677	8,799,437	9,117,886	9,487,899	9,747,554	1,587,287	8,938,049
Public Service	3,354,839	4,944,155	5,629,301	6,349,205	11,884,227	9,368,808	10,161,005	7,798,940	5,951,988	5,997,352
Emergency management	-	-	-	-	-	-	5,418,215	-	-	-
Economic development	-	-	-	-	-	-	-	-	18,735	136,816
Hazard mitigation	344,245	-	-	-	-	-	-	-	-	-
Community revitalization	2,690,132	1,823,575	1,948,078	2,800,689	3,585,679	4,422,615	2,170,571	2,212,833	860,152	699,439
Interest on Long-term debt	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656	431,995	621,151	448,397
Total governmental activities expenses	51,961,832	50,916,521	54,283,578	57,400,820	66,405,156	62,268,110	66,769,154	61,020,461	53,801,361	57,722,241
Business-type activities:										
Electric	74,817,488	78,320,332	78,733,182	87,251,619	90,363,924	92,056,649	88,705,142	88,899,652	89,711,665	87,658,326
Gas	30,983,889	27,016,418	25,544,219	25,635,724	21,822,518	22,445,683	18,345,011	19,418,313	21,752,958	21,526,874
Water	8,499,790	8,817,067	8,715,519	9,793,758	9,005,997	9,191,247	9,328,711	8,827,886	7,709,102	10,170,488
Sewer	9,826,701	9,658,399	9,367,159	10,035,368	10,783,556	10,884,607	11,091,914	11,157,497	13,223,459	13,050,143
Storm Water Management	2,600,592	2,748,537	2,911,282	2,869,969	2,939,442	3,078,951	3,352,683	3,243,887	3,618,378	3,342,760
Total business-type activities expenses	126,728,460	126,560,753	125,271,361	135,586,437	134,915,437	137,657,137	130,823,461	131,547,235	136,015,562	135,748,591
Total primary government expenses	\$ 178,690,292	\$ 177,477,274	\$ 179,554,939	\$ 192,987,257	\$ 201,320,593	\$ 199,925,247	\$ 197,592,615	\$ 192,567,696	\$ 189,816,923	\$ 193,470,832
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	1,183,833	3,221,954	2,319,466	1,678,291	1,799,924	1,834,638	2,117,227	2,229,303	1,941,273	1,775,761
Public Safety	375,831	578,729	404,249	334,178	321,163	311,960	295,173	341,203	265,988	353,021
Public Works	5,521,528	5,781,811	6,027,232	5,994,818	5,981,055	6,083,367	6,820,948	6,485,381	6,851,520	6,615,262
Recreation	667,022	1,125,845	924,160	1,057,313	1,126,057	1,199,165	1,197,659	1,254,131	1,389,363	1,321,850
Public Service	5,967	1,500,327	1,598,478	1,577,139	1,984,204	2,189,132	2,001,241	2,023,260	1,985,842	2,022,601
Other activities	-	52,786	14,692	9,934	14,131	12,018	43,794	31,051	15,959	11,956
Operating grants and contributions	6,979,532	7,373,708	5,751,657	6,435,865	8,013,552	8,382,242	12,126,643	6,759,477	7,407,188	5,373,671
Capital grants and contributions	3,435,584	1,448,987	2,813,051	1,313,359	4,796,852	5,038,384	5,408,019	2,209,611	1,015,333	762,051
Total governmental activities program revenues	18,169,297	21,084,147	19,852,985	18,400,897	24,036,938	25,050,906	30,010,704	21,333,417	20,872,466	18,236,173
Business-type activities:										
Charges for services:										
Electric	78,174,288	83,074,744	83,286,304	90,529,005	94,204,551	96,022,707	89,632,663	91,591,100	93,835,654	93,130,224
Gas	31,684,789	29,526,454	28,547,960	29,689,679	25,025,210	24,079,519	19,574,918	23,315,073	26,655,662	27,193,682
Water	9,497,931	9,512,039	9,294,113	9,271,691	11,257,530	11,716,075	10,385,580	10,349,229	10,991,423	10,953,543
Sewer	10,232,023	10,601,619	10,245,779	10,641,539	11,924,944	11,817,647	11,772,500	11,957,654	11,957,654	12,063,032
Storm Water Management	2,673,764	2,666,750	2,691,342	2,918,743	2,933,755	3,352,106	3,603,852	3,418,192	3,505,458	4,096,545
Operating grants and contributions	50,000	-	-	-	6,102	2,500	2,916	-	-	-
Capital grants and contributions	101,379	-	-	105,536	2,651,892	725,186	1,225,693	70,927	29,000	-
Total business-type activities program revenues	132,414,174	135,381,606	134,065,498	143,156,193	148,003,984	147,715,740	136,194,192	140,517,021	146,974,851	147,437,026

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## CHANGE IN NET POSITION

### Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total primary government program revenues	\$ 150,583,471	\$ 156,465,753	\$ 153,918,483	\$ 161,557,090	\$ 172,040,922	\$ 172,766,646	\$ 166,204,896	\$ 161,850,438	\$ 167,847,317	\$ 165,673,199
Net (expense)/revenue	\$ (33,792,535)	\$ (29,832,374)	\$ (34,430,593)	\$ (38,999,923)	\$ (42,368,218)	\$ (37,217,204)	\$ (36,758,450)	\$ (39,687,044)	\$ (32,928,895)	\$ (39,486,068)
Governmental activities	5,685,714	8,820,853	8,794,137	7,569,756	13,088,547	10,058,603	5,370,731	8,969,786	10,959,289	11,688,435
Business-type activities	(28,106,821)	(21,011,521)	(25,636,456)	(31,430,167)	(29,279,671)	(27,158,601)	(31,387,719)	(30,717,258)	(21,969,606)	(27,797,633)
Total primary government net expense	\$ (99,747)	\$ (265,087)	\$ (263,362)	\$ (280,562)	\$ (268,927)	\$ (268,936)	\$ (268,946)	\$ (241,435)	\$ (8,143,974)	\$ -
Component unit:	20,755	1,557	-	-	-	-	-	-	-	-
City of Rocky Mount Theatre, LLC	-	784,909	6,581	21,410	5,565	5,574	5,584	6,504,000	1,944,530	-
Expenses	852,039	-	-	-	-	-	-	-	-	-
Investment earnings	773,047	\$ 521,379	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)	\$ 6,262,565	\$ (6,199,444)	\$ -
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total City of Rocky Mount Theatre, LLC	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521	\$ 19,499,709	\$ 21,558,895	\$ 21,528,800	\$ 21,778,008	\$ 22,965,276	\$ 23,435,908	\$ 23,283,987
General Revenues and Other Changes in Net Position	10,444,807	8,269,778	10,092,744	9,436,526	8,916,046	8,961,679	9,371,996	9,158,432	9,271,192	9,979,384
Taxes:	42,158	-	-	-	-	-	-	-	-	-
Ad valorem taxes	5,000,150	3,475,190	3,383,805	3,749,239	3,844,700	3,855,023	3,819,472	3,759,181	3,672,642	4,257,262
Local option taxes	953,803	1,554,069	980,278	436,902	122,011	86,433	70,341	129,915	65,120	63,732
Alcoholic beverage taxes	(406,432)	460,298	2,618,315	1,793,793	2,335,138	2,601,852	3,631,978	2,104,003	3,024,711	5,028,768
Other taxes	1,646,500	2,212,445	2,830,090	2,650,000	2,803,692	4,560,000	3,066,000	3,579,419	2,967,000	3,660,250
Investment earnings	33,220,048	33,629,804	38,093,753	37,566,169	39,580,482	41,593,787	41,737,795	41,696,226	42,436,573	46,273,383
Miscellaneous	884,326	1,244,435	1,274,137	933,065	733,274	471,838	218,464	865,119	98,463	92,516
Transfers	(1,646,500)	(2,212,445)	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)	(3,066,000)	(3,579,419)	(2,967,000)	(3,660,250)
Total business-type activities	(762,174)	(968,010)	(1,555,953)	(1,716,935)	(2,070,418)	(4,088,162)	(2,847,536)	(2,714,300)	(2,868,537)	(3,567,734)
Total primary government	\$ 32,457,874	\$ 32,661,794	\$ 36,537,800	\$ 35,849,234	\$ 37,510,064	\$ 37,505,625	\$ 38,890,259	\$ 38,981,926	\$ 39,568,036	\$ 42,705,649
Change in Net Position	\$ (572,487)	\$ 3,797,430	\$ 3,663,160	\$ (1,433,754)	\$ (2,787,736)	\$ 4,376,583	\$ 4,979,345	\$ 2,009,182	\$ 9,507,678	\$ 6,787,315
Governmental activities	4,923,540	7,852,843	7,238,184	5,852,821	11,018,129	5,970,441	2,523,195	6,255,486	8,090,752	8,120,701
Business-type activities	4,351,053	11,650,273	10,901,344	4,419,067	8,230,393	10,347,024	7,502,540	8,264,668	17,598,430	14,908,016
Total primary government	\$ 773,047	\$ 521,379	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)	\$ 6,262,565	\$ (6,199,444)	\$ -

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

Notes: Data is presented for FY2013 with GASB Statement 63 implementation, Net assets is now Net position.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

modified accrual basis of accounting

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>										
Reserved	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,754,957	11,390,174	15,165,835	13,750,586	11,765,250	-	-	-	-	-
Nonspendable	-	-	-	-	-	355,546	383,732	404,514	490,108	433,469
Restricted	-	-	-	-	-	8,455,455	12,485,342	11,306,879	11,284,591	11,214,768
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	1,433,525	963,473	2,429,395	2,700,083	1,355,673
Unassigned	-	-	-	-	-	8,700,100	6,987,165	9,928,645	12,321,582	13,640,541
<b>Total General Fund</b>	<b>\$ 17,935,975</b>	<b>\$ 22,730,906</b>	<b>\$ 26,297,834</b>	<b>\$ 23,868,667</b>	<b>\$ 22,164,051</b>	<b>\$ 18,944,626</b>	<b>\$ 20,819,712</b>	<b>\$ 24,069,433</b>	<b>\$ 26,796,364</b>	<b>\$ 26,644,451</b>

**All other governmental funds**

Reserved	\$ 6,765,398	\$ 1,564,285	\$ 730,296	\$ 393,710	\$ 63,546	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	862,741	1,842,385	1,336,395	1,836,760	2,310,853	-	-	-	-	-
Capital projects funds	(1,029,988)	488,298	947,958	2,616,371	1,677,341	-	-	-	-	-
Nonspendable, reported in:										
Special revenue funds	-	-	-	-	-	100,000	128,890	99,000	99,000	99,000
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	1,809,993	3,142,689	1,908,066	1,592,589	1,259,277
Capital projects funds	-	-	-	-	-	876,388	2,868,236	989,213	1,127,925	2,204,394
Committed, reported in:										
Special revenue funds	-	-	-	-	-	776,078	767,850	923,526	430,111	574,086
Capital projects funds	-	-	-	-	-	2,773,711	-	249,515	266,215	207,522
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	790,196	841,164	911,610	541,010	881,740
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	(124,272)	(1,726,390)	(459,160)	(75,353)	(135,664)
Capital projects funds	-	-	-	-	-	-	(1,485,179)	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 6,598,151</b>	<b>\$ 3,894,968</b>	<b>\$ 3,014,649</b>	<b>\$ 4,846,841</b>	<b>\$ 4,051,740</b>	<b>\$ 7,002,094</b>	<b>\$ 4,537,260</b>	<b>\$ 4,621,770</b>	<b>\$ 3,981,497</b>	<b>\$ 5,090,355</b>

Total governmental funds

	\$ 24,534,126	\$ 26,625,874	\$ 29,312,483	\$ 28,715,508	\$ 26,215,791	\$ 25,946,720	\$ 25,356,972	\$ 28,691,203	\$ 30,777,861	\$ 31,734,806
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Source: Audited Annual financial reports for the City of Rocky Mount

Notes: Data beginning FY2011, GASB statement 54 was implemented for fund balance categories.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Ad valorem taxes	\$ 15,539,062	\$ 17,557,400	\$ 17,911,751	\$ 19,410,649	\$ 21,415,865	\$ 21,337,096	\$ 21,939,984	\$ 22,850,485	\$ 23,821,093	\$ 23,496,912
Intergovernmental revenues	22,438,252	21,627,094	22,735,263	22,209,500	23,808,794	25,081,411	27,109,946	22,933,029	21,373,550	22,431,424
Licenses and permits	1,154,278	1,093,244	1,065,569	950,558	948,416	883,621	921,813	869,535	845,949	891,336
Sales and services	7,087,149	7,440,276	7,088,107	7,442,379	7,680,531	7,777,765	8,487,008	8,280,868	8,606,993	8,303,246
Investment earnings	953,803	1,137,780	980,278	436,902	122,011	86,433	70,342	129,916	65,120	63,733
Contributions	1,750	-	-	-	-	-	-	-	-	-
Project revenue	1,956,496	2,248,049	2,240,943	2,369,044	2,703,369	3,346,505	7,571,153	2,905,465	4,156,053	2,026,322
Miscellaneous	1,328,766	1,167,288	1,839,066	1,311,417	4,081,824	3,355,682	1,199,455	1,320,634	1,268,572	965,243
<b>Total revenues</b>	<b>50,459,556</b>	<b>52,271,131</b>	<b>53,860,977</b>	<b>54,130,449</b>	<b>60,760,810</b>	<b>61,868,513</b>	<b>67,299,701</b>	<b>59,289,932</b>	<b>60,137,330</b>	<b>58,178,216</b>
<b>Expenditures</b>										
Current:										
General government	4,699,327	4,962,300	5,443,209	5,752,575	6,156,042	5,856,442	5,107,954	5,174,420	4,672,485	4,809,567
Public safety	19,243,723	19,847,153	21,299,722	22,687,684	24,825,635	25,204,655	25,460,672	24,714,800	25,717,824	26,351,478
Public service	4,989,178	4,907,501	3,801,544	4,801,568	5,186,371	8,142,128	5,328,963	4,942,980	5,746,295	5,277,826
Public works	8,407,965	8,687,750	8,749,217	10,339,464	9,127,316	10,684,706	10,459,006	8,854,187	9,404,184	11,056,678
Engineering	1,012,595	983,545	1,139,983	1,176,520	983,839	974,241	970,091	972,760	986,374	999,738
Parks and recreation	5,205,534	6,986,768	6,834,700	7,160,670	7,634,255	7,939,785	8,328,491	8,664,907	7,890,472	8,771,419
Economic development	-	-	-	-	-	-	-	-	18,735	136,816
Community revitalization	2,690,490	1,823,575	1,948,078	2,645,895	3,573,194	4,422,615	2,170,571	2,212,833	860,152	699,439
Emergency management	-	-	-	-	-	-	5,418,215	-	-	-
Hazard Mitigation	344,245	-	-	-	-	-	-	-	-	-
Capital projects:										
General government	136,122	117,391	25,000	252,543	56,045	801,837	711,148	832,314	2,328,864	97,114
Public safety	65,665	875,842	99,006	856,699	558,465	1,099,129	43,487	32,995	374,769	69,883
Parks and recreation	10,254,898	1,044,288	1,907,827	861,726	675,657	274,414	134,851	9,236,765	212,243	821,261
Public service	2,763	36,654	1,644,876	1,346,759	6,418,173	1,478,933	4,781,240	2,503,521	108,768	485,370
Community revitalization	-	-	-	154,794	12,485	-	-	-	-	-
Debt service:										
Principal	2,481,687	2,690,399	2,247,878	2,979,134	3,202,319	2,980,771	2,803,104	3,208,643	4,030,356	3,863,984
Interest	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656	431,995	621,151	447,948
<b>Total expenditures</b>	<b>\$ 60,640,610</b>	<b>\$ 53,423,828</b>	<b>\$ 55,628,808</b>	<b>\$ 61,504,424</b>	<b>\$ 68,853,880</b>	<b>\$ 70,151,924</b>	<b>\$ 72,210,449</b>	<b>\$ 71,783,120</b>	<b>\$ 62,972,672</b>	<b>\$ 63,888,521</b>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Excess of revenues over (under) expenditures</b>	(10,181,054)	(1,152,697)	(1,767,831)	(7,373,975)	(8,093,070)	(8,283,411)	(4,910,748)	(12,493,188)	(2,835,342)	(5,710,305)
<b>Other financing sources (uses)</b>										
Transfers in	\$ 3,934,664	\$ 4,071,907	\$ 6,233,811	4,863,050	4,132,894	7,157,151	4,827,886	5,542,550	4,064,942	5,105,019
Transfers out	(2,288,164)	(1,859,462)	(3,365,371)	(2,213,050)	(1,329,202)	(1,849,151)	(1,761,886)	(1,963,131)	(1,097,942)	(1,444,769)
Capital contributions	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	1,305,000	1,084,661	410,339	-	-	-	-
Proceeds from installment purchase agreement	725,000	1,032,000	1,586,000	2,822,000	1,705,000	2,296,000	1,255,000	12,248,000	1,955,000	3,007,000
<b>Total other financing sources (uses)</b>	2,371,500	3,244,445	4,454,440	6,777,000	5,593,353	8,014,339	4,321,000	15,827,419	4,922,000	6,667,250
<b>Net change in fund balance</b>	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609	\$ (596,975)	\$ (2,499,717)	\$ (269,072)	\$ (589,748)	\$ 3,334,231	\$ 2,086,658	\$ 956,945
<b>Total debt service</b>	\$ 3,588,105	\$ 3,151,061	\$ 2,735,646	\$ 3,467,527	\$ 3,646,403	\$ 3,273,039	\$ 3,295,760	\$ 3,640,638	\$ 4,651,507	\$ 4,311,932
Total expenditures	60,640,610	53,423,828	55,628,808	61,504,424	68,853,880	70,151,924	72,210,449	71,783,120	62,972,672	63,888,521
Capital outlay primary government only	10,010,640	5,283,290	4,528,713	6,945,548	5,588,437	10,401,869	8,523,259	12,937,662	13,621,602	7,094,717
<b>Non-capital expenditures</b>	\$ 50,629,970	\$ 48,140,538	\$ 51,100,095	\$ 54,558,876	\$ 63,265,443	\$ 59,750,055	\$ 63,687,190	\$ 58,845,458	\$ 49,351,070	\$ 56,793,804
<b>Debt service as a percentage of non-capital expenditures</b>	7.09%	6.55%	5.35%	6.36%	5.76%	5.48%	5.17%	6.19%	9.43%	7.59%

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Service</b>	<b>Public Works and Engineering</b>	<b>Parks &amp; Recreation</b>	<b>Emergency Management Hazard Mitigation</b>	<b>Community Revitalization</b>	<b>Economic Development</b>	<b>Debt Service</b>	<b>Total Expenditures</b>
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
2008	5,468,209	21,398,728	5,446,420	9,889,200	8,742,527	-	1,948,078	-	2,735,646	55,628,808
2009	6,005,118	23,544,383	6,148,327	11,515,984	8,022,396	-	2,800,689	-	3,467,527	61,504,424
2010	6,212,087	25,384,100	11,604,544	10,111,155	8,309,912	-	3,585,679	-	3,646,403	68,853,880
2011	6,658,279	26,303,784	9,621,061	11,658,947	8,214,199	5,418,215	4,422,615	-	3,273,039	70,151,924
2012	5,819,102	25,504,159	10,110,203	11,429,097	8,463,342	-	2,170,571	-	3,295,760	72,210,449
2013	6,006,734	24,747,795	7,446,501	9,826,947	17,901,672	-	2,212,833	-	3,640,638	71,783,120
2014	7,001,349	26,092,593	5,855,063	10,390,558	8,102,715	-	860,152	18,735	4,651,507	62,972,672
2015	4,906,681	26,421,361	5,763,196	12,056,416	9,592,680	-	699,439	136,816	4,311,932	63,888,521

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**

**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	
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
2008	17,851,029	9,466,144	2,415,663	836,645	-	259,635	-	1,065,569		31,894,685
2009	19,350,631	8,809,926	2,653,519	942,964	-	264,527	-	950,558		32,021,566
2010	21,344,953	8,543,046	2,932,552	912,148	-	84,474	-	948,416		34,765,589
2011	21,262,639	8,866,679	3,019,976	835,047	-	265,409	-	883,621		35,133,371
2012	21,863,586	9,295,496	2,945,703	873,769	-	249,920	-	921,813		36,150,286
2013	22,776,770	8,974,432	2,931,777	827,404	-	231,246	-	869,535		36,611,164
2014	23,755,532	9,271,192	2,918,783	753,859	-	247,804	-	845,949		37,793,119
2015	23,415,767	9,929,384	3,549,282	707,980	-	268,678	-	891,336		38,762,427

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

Note: Ad valorem taxes includes penalties & interest  
Includes General fund

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Ad Valorem Taxes</b>	<b>Tele-communication Tax</b>	<b>Inter-Governmental Revenue</b>	<b>Licenses &amp; Permits</b>	<b>Sales and Services</b>	<b>Project Revenue</b>	<b>Investment Earnings</b>	<b>Other Revenue</b>	<b>Total Revenues</b>
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
2008	17,911,751	836,645	21,898,618	1,065,569	7,088,107	2,240,943	980,278	1,839,066	53,860,977
2009	19,410,649	942,964	21,266,536	950,558	7,442,379	2,369,044	436,902	1,311,417	54,130,449
2010	21,415,865	912,148	22,896,646	948,416	7,680,531	2,703,369	122,011	4,081,824	60,760,810
2011	21,337,096	835,047	24,246,364	883,621	7,777,765	3,346,505	86,433	3,355,682	61,868,513
2012	21,939,984	873,769	26,236,177	921,813	8,487,008	7,571,153	70,342	1,199,455	67,299,701
2013	22,850,485	827,404	22,105,625	869,535	8,280,868	2,905,465	129,916	1,320,634	59,289,932
2014	23,821,093	753,859	20,619,691	845,949	8,606,993	4,156,053	65,120	1,268,572	60,137,330
2015	23,496,912	707,980	21,723,444	891,336	8,303,246	2,026,322	63,733	965,243	58,178,216

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	Residential Property		Commercial 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
	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe				
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%
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425	36,836,521	38,935,022	3,232,396,715	0.55	3,795,146,495	85.17%
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	638,241,681	73,577,842	34,582,543	38,951,598	3,307,759,196	0.58	3,392,345,413	97.51%
2010 (4&5)	1,466,556,229	409,793,603	1,106,349,436	96,124,426	640,883,468	73,864,477	39,404,429	46,781,653	3,879,757,721	0.55	3,925,781,032	98.83%
2011	1,469,281,707	419,703,338	1,108,405,499	85,963,334	634,273,081	70,699,771	40,818,345	46,879,116	3,876,024,191	0.55	3,978,527,748	97.42%
2012	1,467,562,469	467,531,300	1,107,108,530	40,654,896	634,311,603	74,423,775	43,700,708	46,023,256	3,881,316,539	0.55	3,884,134,999	99.93%
2013	1,748,210,984	469,278,513	822,687,522	35,322,039	655,987,042	81,920,766	43,647,676	45,743,335	3,902,797,878	0.58	3,873,547,007	100.76%
2014	1,607,339,569	469,763,599	964,403,741	35,358,550	734,489,531	115,903,296	42,301,359	38,394,016	4,007,953,661	0.58	3,972,326,494	100.90%
2015	1,619,968,919	471,493,161	951,410,318	35,488,733	687,277,074	163,609,353	46,020,988	35,272,383	4,010,540,929	0.58	3,950,569,476	101.52%

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

### 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)

<u>City of Rocky Mount</u>				<u>Overlapping Rates Edgecombe County</u>			<u>Total Direct and Overlapping Rates (Edgecombe County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>School Millage (2)</u>	<u>Total County Millage</u>	
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49
2008	0.55	-	0.55	0.94	-	0.94	1.49
2009	0.58	-	0.58	0.94	-	0.94	1.52
2010	0.55	-	0.55	0.86	-	0.86	1.41
2011	0.55	-	0.55	0.86	-	0.86	1.41
2012	0.55	-	0.55	0.86	-	0.86	1.41
2013	0.58	-	0.58	0.86	-	0.86	1.44
2014	0.58	-	0.58	0.86	-	0.86	1.44
2015	0.58	-	0.58	0.895	-	0.895	1.475

<u>City of Rocky Mount</u>				<u>Overlapping Rates Nash County</u>		<u>Total Direct and Overlapping Rates (Nash County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Municipal Service District Tax (1)</u>	
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.66	0.20	1.41
2008	0.55	-	0.55	0.70	0.20	1.45
2009	0.58	-	0.58	0.70	0.20	1.48
2010	0.55	-	0.55	0.70	0.20	1.45
2011	0.55	-	0.55	0.67	0.20	1.42
2012	0.55	-	0.55	0.67	0.20	1.42
2013	0.58	-	0.58	0.67	0.20	1.45
2014	0.58	-	0.58	0.67	0.20	1.45
2015	0.58	-	0.58	0.67	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	2015			2006		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc	Pharmaceuticals	\$204,509,774	1	5.10 %	\$114,360,106	1	3.73 %
Edgecombe Genco LLC <sup>a</sup>	Electrical Energy Producer	\$53,545,837	2	1.34	\$54,181,299	2	1.77
Carolina Telephone Company	Communications	34,729,208	3	0.87	45,511,983	3	1.48
Hendon Golden East LLC <sup>b</sup>	Retail Shopping Center	34,218,489	4	0.85	23,152,659	5	0.75
PNC Bank <sup>c</sup>	Banking	19,220,640	5	0.48	42,518,597	4	1.39
Kaba Ilco Corp	Key & Security System Manufacturer	19,483,127	6	0.49	21,365,243	6	0.70
Rocky Mount WEH LP	Community Development Company	18,440,199	7	0.46			
Duke Energy Progress, Inc.	Electrical Energy Producer	16,325,685	8	0.41			
Nello L Teer Company	General Contractor/Quarry Division	15,239,580	9	0.38			
Honeywell International Inc	Aircraft Manufacturer	13,847,655	10	0.35			
Cobb Corners Ltd. Partnership	Retail Shopping Center				18,907,901	7	0.62
Carolina Power & Light	Electrical Energy Producer				17,320,050	8	0.56
American Fibers and Yarns Co.	Textile Manufacturer				12,429,308	9	0.41
					11,987,766	10	0.39
<b>Total</b>		<b>\$429,560,194</b>		<b>10.71 %</b>	<b>\$361,734,912</b>		<b>11.79 %</b>

Source: City of Rocky Mount Finance Dept

<sup>a</sup> Formerly Cogentrix of Rocky Mount Inc.

<sup>b</sup> Formerly C F N Inc.

<sup>c</sup> Formerly Centura Bank Inc

**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
2006	15,188,026	462,864	15,650,890	14,663,915	96.55	861,919	15,525,834	99.20
2007	17,089,087	446,941	17,536,028	16,403,053	95.99	962,061	17,365,114	99.03
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,137,994	17,949,686	99.00
2009	19,086,402	454,654	19,541,056	18,132,030	95.00	1,198,278	19,330,308	98.92
2010	21,219,040	422,197	21,641,237	20,125,420	94.85	1,147,822	21,273,242	98.30
2011	21,239,809	387,076	21,626,885	19,993,488	94.13	1,197,328	21,190,816	97.98
2012	21,241,883	437,655	21,679,538	20,276,321	95.45	1,037,869	21,314,190	98.31
2013	22,521,357	271,647	22,793,004	21,473,139	95.35	866,468	22,339,607	98.01
2014	23,143,497	104,580	23,248,077	22,351,527	96.58	358,759	22,710,286	97.69
2015	23,012,679	243,159	23,255,838	22,562,575	98.04		22,562,575	97.02

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates  
Fiscal Year 2014 -2015

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-1,500 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	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		14.00	35.00					0.131538				
Small General Service		26.00	45.00					0.158244	0.131759	0.124472		
Medium General Service		27.00	47.00					0.097561				
Large General Service	1,130.00							0.073988				
Coordinated Demand Control Service				265.00	975.00		1,850.00	0.058375				
Coordinated Demand Control/Indust					975.00		1,850.00	0.058375				
Med General Seasonal/Intermittent		38.00	58.00								0.145534	0.115393

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									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Residential-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	9.23	9.23	9.23	10.00	10.00	10.00	10.00	10.00	14.00	14.00
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	13.22	15.00	15.00	15.00	15.00	15.00	21.00	21.00
Monthly Energy Charge/kWH	0.12	0.11	0.11	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	-	-	-	-	-	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	-	-	-	-	-	-	-	-	-	-
<b>Small General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	17.60	17.60	17.60	18.22	18.22	18.22	18.22	18.22	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	13.22	13.68	13.68	13.68	13.68	13.68	19.00	19.00
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.14	0.14	0.14	0.16	0.16	0.16	0.16	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.11	0.11	0.11	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.12
<b>Medium General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	17.60	17.60	17.60	19.01	19.01	19.01	19.01	19.01	27.00	27.00
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	13.22	14.28	14.28	14.28	14.28	14.28	20.00	20.00
Monthly Energy Charge/kWH	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.10	0.10	0.10
<b>Large General Service-rates at fiscal year-end</b>										
Monthly Customer Charge	733.82	733.82	733.82	807.20	807.20	807.20	807.20	807.20	1,130.00	1,130.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07

**City of Rocky Mount, North Carolina**

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Coordinated Demand Control Service-rates fiscal end</b>										
Monthly Customer Charge-Under 1,000 kW	175.63	175.63	175.63	189.68	189.68	189.68	189.68	189.68	265.00	265.00
Monthly Customer Charge-1,000 -2,500 kW	643.97	643.97	643.97	695.49	695.49	695.49	695.49	695.49	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	1,229.41	1,229.41	1,229.41	1,327.76	1,327.76	1,327.76	1,327.76	1,327.76	1,850.00	1,850.00
Monthly Energy Charge/kWH	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06
<b>Coordinated Demand Control Service/Industrial-rates fiscal end</b>										
Monthly Customer Charge-1,500 -2,500 kW	-	-	-	-	-	-	-	695.49	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	-	-	-	-	-	-	-	1,327.76	1,850.00	1,850.00
Monthly Energy Charge/kWH	-	-	-	-	-	-	-	0.06	0.06	0.06
<b>Med General Seasonal/Intermittent-rates fiscal end</b>										
Monthly Customer Charge-Single Phase	17.60	17.60	17.60	26.60	26.60	26.60	26.60	26.60	38.00	38.00
Monthly Customer Charge-Three Phase	30.82	30.82	30.82	40.88	40.88	40.88	40.88	40.88	20.00	20.00
Monthly Energy Charge-First 2000 kWH/kWH	0.12	0.12	0.12	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Monthly Energy Charge-Additional kWH/kWH	0.10	0.09	0.09	0.12	0.12	0.12	0.12	0.12	0.12	0.12

**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 by Business Type  
Current Year and Nine Years Ago**

Type of Business	2015			2006		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue
Healthcare	\$ 2,932,272	1	3.15%	\$ 1,712,286	1	2.17%
Plastic Packaging Manufacturer	1,136,938	2	1.22%			
Key & Security System Manufacturer	1,072,133	3	1.15%	900,266	3	1.14%
Bakery Production Facility	1,047,180	4	1.12%			
Communications	803,019	5	0.86%	487,774	8	0.62%
Food Distributor	739,870	6	0.79%	748,520	5	0.95%
Elevator Products Manufacturer	549,140	7	0.59%	476,309	9	0.60%
Plastic Packaging Manufacturer	538,842	8	0.58%			
Department Store	466,536	9	0.50%	538,281	7	0.68%
Bakery Production Facility	452,172	10	0.49%			
Bread Distributor				919,200	2	0.45%
Food Distributor	-			810,240	4	1.03%
Textile Manufacturer	-			639,081	6	0.81%
Wire and Cabling	-			357,007	10	0.45%
	<u>\$ 9,738,102</u>		<u>10.45%</u>	<u>\$ 7,588,964</u>		<u>8.92%</u>

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

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Power</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859	(1,500,000)	3,612,859	4.3%
2009	90,529,005	73,432,691	13,252,151	3,844,163	(84,844)	3,759,318	(1,600,000)	2,159,318	2.4%
2010	94,210,653	75,831,363	13,969,285	4,410,005	2,097,226	6,507,231	(1,590,780)	4,916,451	5.2%
2011	96,025,207	77,389,296	14,340,205	4,295,706	(99,146)	4,196,560	(2,181,700)	2,014,860	2.1%
2012	89,571,738	74,419,871	13,832,305	1,319,562	(328,186)	991,376	(791,132)	200,244	0.2%
2013	91,499,477	74,829,348	13,786,016	2,884,113	281,297	3,165,410	(1,396,325)	1,769,085	1.9%
2014	93,771,709	75,354,137	14,052,385	4,365,187	(217,178)	4,148,009	(1,425,000)	2,723,009	2.9%
2015	93,059,344	72,729,666	14,139,991	6,189,687	(697,028)	5,492,659	(1,700,000)	3,792,659	4.1%

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**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2008	81,823,996	1,462,308	-	-	559,737	83,846,041
2009	89,004,211	1,524,794	-	-	481,932	91,010,936
2010	92,440,662	1,769,991	-	2,257,775	402,727	96,871,155
2011	94,371,459	1,653,748	-	318,300	228,002	96,571,509
2012	88,157,911	1,413,827	63,461	708,868	61,319	90,405,386
2013	89,526,567	1,972,910	91,623	8,094	473,962	92,073,156
2014	91,430,978	2,340,731	63,945	-	24,020	93,859,674
2015	91,929,928	1,129,416	70,880	-	20,761	93,150,985

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Commercial</b>	<b>Seasonal</b>	<b>Other Lights</b>	<b>Total User Charges</b>
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
2008	37,707,077	39,611,025	2,472,961	281,242	1,751,691	81,823,996
2009	41,709,152	42,381,333	2,683,107	295,579	1,935,040	89,004,211
2010	43,397,592	43,823,509	2,877,527	333,594	2,008,441	92,440,662
2011	44,716,962	44,365,860	2,970,260	315,935	2,002,442	94,371,459
2012	40,212,629	42,797,522	2,852,626	273,571	2,021,564	88,157,911
2013	41,677,126	42,662,606	2,817,395	295,960	2,073,480	89,526,567
2014	42,714,433	42,689,175	3,609,477	331,702	2,086,191	91,430,978
2015	42,738,735	43,073,256	3,607,192	366,185	2,144,560	91,929,928

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

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Gas</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384	(1,125,000)	2,193,384	7.7%
2009	29,689,679	20,694,036	4,764,483	4,231,160	42,974	4,274,134	(1,000,000)	3,274,134	11.0%
2010	25,025,210	16,455,078	4,961,557	3,608,575	(248,616)	3,359,959	(1,250,000)	2,109,959	8.4%
2011	24,079,519	16,116,224	6,245,513	1,717,782	(29,343)	1,688,439	(1,400,000)	288,439	1.2%
2012	19,545,646	11,130,071	7,073,482	1,342,093	(68,154)	1,273,939	(1,266,000)	7,939	0.04%
2013	23,315,073	12,583,862	6,452,707	4,278,504	(250,737)	4,027,767	(1,400,000)	2,627,767	11.27%
2014	26,655,662	14,329,752	7,156,602	5,169,308	(257,710)	4,911,598	(1,066,000)	3,845,598	14.43%
2015	27,193,682	14,881,099	6,372,319	5,940,264	(258,012)	5,682,252	(1,900,000)	3,782,252	13.91%

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

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2006	31,684,589	200	-	234,496	31,919,285
2007	29,526,454	-	-	307,887	29,834,341
2008	28,531,480	16,480	-	314,643	28,862,603
2009	29,655,658	34,021	-	220,179	29,909,858
2010	25,026,292	(1,082)	-	157,267	25,182,477
2011	24,063,284	16,235	-	54,603	24,134,122
2012	19,510,767	34,879	29,272	44,032	19,618,950
2013	23,257,570	57,503	-	131,007	23,446,080
2014	26,507,748	147,914	-	8,894	26,664,556
2015	26,993,761	199,921	-	15,444	27,209,126

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### GAS FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Special</u>	<u>Seasonal</u>	<u>Other</u>	<u>Total User Charges</u>
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
2008	13,951,182	8,082,688	1,197,004	4,849,275	451,004	327	28,531,480
2009	15,094,397	8,775,190	1,163,655	3,918,287	704,281	(152)	29,655,658
2010	13,103,265	7,132,263	920,091	3,226,058	644,615	-	25,026,292
2011	12,704,787	6,881,866	1,021,194	3,106,369	349,068	-	24,063,284
2012	9,845,454	5,777,053	991,476	2,490,777	406,006	-	19,510,767
2013	12,064,937	6,623,544	1,229,641	2,898,610	440,838	-	23,257,570
2014	13,789,553	7,557,336	1,185,317	3,791,887	183,655	-	26,507,748
2015	13,865,721	7,763,319	1,364,225	3,761,901	238,596	-	26,993,761

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

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income (loss)</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2008	9,294,113	8,489,576	804,537	(40,717)	763,820	(119,000)	644,820	6.9%
2009	9,273,368	9,636,746	(363,377)	29,863	(333,514)	(350,000)	(683,514)	-7.4%
2010	11,190,160	8,881,041	2,309,119	160,691	2,469,810	(250,000)	2,219,810	19.8%
2011	11,663,325	9,031,332	2,631,993	(47,282)	2,584,711	(408,767)	2,175,944	18.7%
2012	10,371,461	9,156,365	1,215,096	(126,421)	1,088,675	(500,000)	588,675	5.7%
2013	10,349,229	8,678,396	1,670,833	(70,597)	1,600,236	(700,000)	900,236	8.7%
2014	10,961,723	7,570,233	3,391,490	(90,826)	3,300,664	(526,000)	2,774,664	25.3%
2015	10,942,768	9,998,089	944,679	(145,622)	799,057	(125,000)	674,057	6.2%

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

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2008	9,059,969	40,597	193,547	-	-	185,226	9,479,339
2009	9,010,135	51,032	106,666	103,859	105,536	83,016	9,460,243
2010	10,970,151	42,976	177,033	67,370	156,631	61,646	11,475,807
2011	11,424,381	46,990	191,954	52,750	91,233	59,883	11,867,191
2012	10,140,548	38,859	192,054	14,119	-	31,806	10,417,386
2013	10,181,457	39,882	127,890	-	-	78,893	10,428,122
2014	10,771,384	22,020	168,319	29,700	-	18,343	11,009,766
2015	10,664,276	61,813	216,679	10,775	-	16,002	10,969,545

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### WATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Inside City</b>	<b>Outside City</b>	<b>Municipal</b>	<b>Other</b>	<b>Total User Charges</b>
2006	7,674,909	835,590	818,929	380	9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877
2008	7,241,132	863,623	955,214	-	9,059,969
2009	7,285,379	633,808	1,090,948	-	9,010,135
2010	8,074,971	1,352,958	1,542,222	-	10,970,151
2011	9,106,840	748,923	1,568,618	-	11,424,381
2012	7,986,742	699,609	1,454,197	-	10,140,548
2013	7,778,890	694,856	1,707,711	-	10,181,457
2014	8,234,091	752,157	1,785,136	-	10,771,384
2015	8,332,830	753,613	1,577,833	-	10,664,276

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**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
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%
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230	(386,090)	595,140	5.8%
2009	10,641,539	9,729,040	912,499	(218,125)	694,375	-	694,375	6.5%
2010	11,924,944	10,491,072	1,433,872	(19,839)	1,414,033	(12,912)	1,401,121	11.7%
2011	11,817,647	10,546,926	1,270,721	(234,530)	1,036,191	240,815	1,277,006	10.8%
2012	11,768,570	10,782,819	985,751	(241,317)	744,434	516,825	1,261,259	10.7%
2013	11,772,500	10,898,113	874,387	(125,733)	748,654	(120,412)	628,242	5.3%
2014	11,933,548	12,777,308	(843,760)	(380,992)	(1,224,752)	-	(1,224,752)	-10.3%
2015	12,063,032	11,763,654	299,378	(1,251,280)	(951,902)	(10,250)	(962,152)	-8.0%

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**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2008	10,114,902	32,606	98,271	-	102,610	10,348,389
2009	10,162,577	29,911	449,051	-	88,204	10,729,743
2010	11,728,526	47,552	148,866	194,360	78,285	12,197,589
2011	11,641,154	37,111	139,382	300,815	103,151	12,221,613
2012	11,549,285	45,019	174,266	516,825	67,778	12,353,173
2013	11,538,328	31,417	202,755	29,588	133,651	11,935,739
2014	11,689,883	12,103	231,562	24,106	41,053	11,998,707
2015	11,756,097	50,506	256,429	-	35,209	12,098,241

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### SEWER FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sewer Service</u>	<u>Sewer Surcharge</u>	<u>Sewer No Water</u>	<u>Wholesale</u>	<u>Other</u>	<u>Total User Charges</u>
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
2008	8,136,203	309,030	76,810	1,567,474	25,385	10,114,902
2009	8,023,266	358,193	14,899	1,745,010	21,209	10,162,577
2010	9,058,870	371,775	16,705	2,256,489	24,687	11,728,526
2011	9,085,866	494,932	87,046	1,950,726	22,585	11,641,154
2012	8,873,524	401,266	89,566	2,162,492	22,437	11,549,285
2013	8,898,925	356,401	90,517	2,170,121	22,364	11,538,328
2014	8,715,746	357,862	98,083	2,495,781	22,411	11,689,883
2015	8,728,066	333,735	100,247	2,571,500	22,549	11,756,097

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**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
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%
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)	300,000	191,981	7.1%
2009	2,918,743	2,849,727	69,016	39,492	108,508	300,000	408,508	14.0%
2010	2,933,755	2,931,774	1,981	68,807	70,788	300,000	370,788	12.6%
2011	3,352,106	3,054,109	297,997	1,357	299,354	(85,162)	214,192	6.4%
2012	3,603,852	3,328,564	275,288	(10,210)	265,078	200,000	465,078	12.9%
2013	3,418,192	3,215,172	203,020	18,891	221,911	108,245	330,156	9.7%
2014	3,505,458	3,594,178	(88,720)	(18,047)	(106,767)	79,000	(27,767)	-0.8%
2015	4,096,545	3,322,599	773,946	(15,061)	758,885	75,000	833,885	20.4%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORMWATER FUND REVENUES BY SOURCE**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2006	2,673,764	-	-	-	77,107	2,750,871
2007	2,666,750	-	-	-	122,104	2,788,854
2008	2,691,342	-	-	-	111,921	2,803,263
2009	2,918,643	100	-	-	59,734	2,978,477
2010	2,930,985	2,770	-	43,126	33,349	3,010,230
2011	3,351,376	730	-	14,838	26,199	3,393,143
2012	3,413,995	189,857	380	-	13,529	3,617,761
2013	3,388,414	29,778	-	33,245	47,606	3,499,043
2014	3,457,268	48,190	-	29,000	6,153	3,540,611
2015	4,040,905	55,640	-	-	5,100	4,101,645

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Multi-family</b>	<b>Commercial</b>	<b>Total User Charges</b>
2006	738,551	183,921	1,751,292	2,673,764
2007	744,151	170,866	1,751,733	2,666,750
2008	744,473	184,058	1,762,811	2,691,342
2009	790,210	195,884	1,932,549	2,918,643
2010	783,135	196,926	1,950,925	2,930,985
2011	882,349	229,915	2,239,111	3,351,376
2012	893,621	232,456	2,287,919	3,413,995
2013	875,806	227,658	2,284,951	3,388,414
2014	890,392	229,306	2,337,570	3,457,268
2015	1,045,465	273,979	2,721,461	4,040,905

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities							Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Capital Leases	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	Sewer Bonds	Revolving Sewer Loans	Capital Leases			
2006	14,828,599	-	-	111,288	3,210,656	4,239,344	1,194,328	8,987,480	4,239,344	1,194,328	1,194,328	32,571,695	0.78%	578.64
2007	13,760,314	-	1,500,000	-	2,385,366	3,149,634	4,253,610	7,717,568	3,149,634	4,253,610	4,253,610	32,766,492	0.77%	581.34
2008	13,323,336	-	1,300,000	17,000	1,577,315	2,082,685	4,255,536	7,826,068	2,082,685	4,255,536	4,255,536	30,381,940	0.68%	539.03
2009	13,366,200	1,305,000	1,100,000	17,000	782,193	1,032,807	4,033,543	10,216,290	1,032,807	4,033,543	4,033,543	31,853,033	0.69%	537.80
2010	12,068,881	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946	-	3,973,180	3,973,180	33,811,776	0.70%	561.47
2011	12,477,111	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382	-	3,835,026	3,835,026	33,111,304	0.69%	576.08
2012	11,274,007	2,510,000	500,000	834,046	-	-	5,268,013	13,468,136	-	5,268,013	5,268,013	33,854,202	0.68%	589.46
2013	20,558,364	2,365,000	400,000	785,052	-	-	7,377,096	15,303,040	-	7,377,096	7,377,096	46,788,552	0.92%	825.92
2014	18,728,008	2,220,000	300,000	1,834,203	-	-	6,947,668	11,578,875	-	6,947,668	6,947,668	41,608,754	not available	738.73
2015	18,578,801	2,075,000	200,000	1,453,760	-	-	6,518,239	8,845,332	-	6,518,239	6,518,239	37,671,132	not available	668.82

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

<sup>a</sup> 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					
2006	7,450,000	0	7,450,000	0.46%	0.19%	132	
2007	5,535,000	0	5,535,000	0.34%	0.14%	98	
2008	3,660,000	0	3,660,000	0.21%	0.09%	65	
2009	1,815,000	0	1,815,000	0.10%	0.05%	31	
2010	-	0	0	0.00%	0.00%	0	
2011	-	0	0	0.00%	0.00%	0	
2012	-	0	0	0.00%	0.00%	0	
2013	-	0	0	0.00%	0.00%	0	
2014	-	0	0	0.00%	0.00%	0	
2015	-	0	0	0.00%	0.00%	0	

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  
Total Debt as of June 30, 2015**

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount<sup>1</sup></u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt	22,307,561	100.0%	22,307,561
Total Direct Debt	<u>\$ 22,307,561</u>		<u>\$ 22,307,561</u>
Overlapping Debt			
Edgecombe County:			
School	8,211,000	16.0%	1,313,760
Non General Obligation	19,813,425	16.0%	3,170,148
Nash County Non Gen Obligation	<u>31,836,238</u>	84.0%	<u>26,742,440</u>
Total Overlapping Debt	<u>\$ 59,860,663</u>		<u>\$ 31,226,348</u>
Total direct and overlapping debt	<u>\$ 82,168,224</u>		<u>\$ 53,533,909</u>

<sup>1</sup> 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636	\$ 320,843
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636	\$ 320,843
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 2015**

Assessed Value	4,010,540,929
Debt Limit (8% of total assessed value) (1)	320,843,274
Debt applicable to limitation:	-
Total outstanding bonded debt at 6/30/14	-
Less: Statutory deductions (2 and 3)	-
Bonds issued and outstanding for water purposes	-
Bonds issued and outstanding for sewer purposes	-
Total amount of debt applicable to debt limit	-
Legal debt margin	\$320,843,274

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PLEDGED REVENUE COVERAGE - WATER & SEWER**

Last Ten Fiscal Years

Fiscal Year	Sewer Bonds						Coverage
	Operating Revenues <sup>1</sup>		Operating Expenses <sup>2</sup>	Debt Service Requirements <sup>3</sup>		Total	
	Operating Revenues <sup>1</sup>	Net Revenue Available for Debt Service		Principal	Interest		
2006	9,964,897	1,948,370	8,016,527	1,109,627	248,918	1,358,545	143.42%
2007	10,338,983	2,485,936	7,853,047	1,089,711	200,094	1,289,805	192.74%
2008	10,080,443	2,488,017	7,592,426	1,066,949	152,147	1,219,096	204.09%
2009	10,423,414	2,409,614	8,013,800	1,049,878	104,134	1,154,012	208.80%
2010	11,905,105	3,217,786	8,687,319	1,032,807	51,640	1,084,447	296.72%
2011	11,583,117	2,859,320	8,723,797	-	-	-	100.00%
2012	11,527,253	2,618,668	8,908,585	-	-	-	100.00%
2013	11,646,767	2,661,544	8,985,223	-	-	-	100.00%
2014	11,552,556	745,164	10,807,392	-	-	-	100.00%
2015	10,811,752	977,923	9,833,829	-	-	-	100.00%

Fiscal Year	Water Bonds						Coverage
	Operating Revenues <sup>1</sup>		Operating Expenses <sup>2</sup>	Debt Service Requirements <sup>3</sup>		Total	
	Operating Revenues <sup>1</sup>	Net Revenue Available for Debt Service		Principal	Interest		
2005	8,546,505	1,996,773	6,549,732	857,611	226,252	1,083,864	184.23%
2006	9,282,651	2,471,365	6,811,286	840,373	188,517	1,028,890	240.20%
2007	9,364,583	2,098,822	7,265,761	825,289	151,541	976,830	214.86%
2008	9,253,396	1,954,320	7,299,076	808,051	115,228	923,279	211.67%
2009	9,303,231	910,211	8,393,020	795,122	78,866	873,988	104.14%
2010	11,350,851	3,765,710	7,585,141	782,193	39,110	821,303	458.50%
2011	11,616,043	3,899,880	7,716,163	-	-	-	100.00%
2012	10,245,040	2,553,148	7,691,892	-	-	-	100.00%
2013	10,278,632	3,118,526	7,160,106	-	-	-	100.00%
2014	10,870,897	4,849,752	6,021,145	-	-	-	100.00%
2015	10,797,146	2,402,957	8,394,189	-	-	-	100.00%

<sup>1</sup> Total revenues including interest

<sup>2</sup> Total operating expenses exclusive of depreciation and amortization

<sup>3</sup> 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		Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount Unemployment Rate (3)	Rocky Mount Retail Sales (Millions) (4)
		MSA(a) Personal Income (Millions) (2)	MSA(a) Per Capita Income (2)			
2006	56,290	4,180.0	28,579	6.7%	720.5	
2007	56,364	4,266.0	29,299	6.8%	720.0	
2008	56,364	4,459.4	30,469	8.9%	707.0	
2009	59,228	4,584.9	31,276	14.3%	634.9	
2010	60,220	4,803.6	31,504	13.2%	562.2	
2011	57,477	4,774.7	31,380	13.7%	668.8	
2012	57,433	4,999.4	32,964	13.2%	704.3	
2013	56,650	5,084.8	33,749	13.3%	671.5	
2014	56,325	not available	not available	10.2%	686.1	
2015	56,325	not available	not available	8.90%	575.3	

Sources:

- (1) US Census Bureau
- (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 Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank	Percentage of Total MSA (a)
Hospira	3,000	1	4.53%	2,000	2	2.93%
Nash Rocky Mount Schools	2,275	2	3.44%	2,500	1	3.67%
Cummins-Rocky Mount Engines	1,800	3	2.72%	1,350	4	1.98%
Nash Health Care Systems	1,600	4	2.42%	1,725	3	2.53%
CenturyLink/ Sprint	1,000	5	1.51%	1,000	6	1.47%
Universal Leaf	800	6	1.21%			
West Customer Management Group	800	7	1.21%			
MBM, Corp.	650	8	0.98%	400	10	0.59%
McLane North Carolina	575	9	0.87%	575	9	0.84%
Kaba Ilco Corporation	495	10	0.75%	625	8	0.92%
PNC Bank (Formerly RBC)				1,250	5	1.83%
Barclounger				400	10	0.59%
QVC , Inc.				850	7	1.25%
	<u>12,995</u>		<u>15.10%</u>	<u>12,675</u>		<u>18.60%</u>

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

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government	106	105	105	102	112	112	114	108	107	110
Public Safety										
Police	193	191	195	206	223	200	197	191	199	198
Fire	133	133	148	146	144	142	142	143	145	140
Public Works	104	103	108	105	103	100	92	91	90	86
Engineering	23	25	24	25	25	25	25	25	25	24
Parks & Recreation	61	66	63	66	64	66	67	65	62	59
Public Service	2	4	4	4	4	4	2	2	2	2
Economic Development	20	20	22	22	24	20	17	16	17	18
Electric	58	59	63	64	67	69	69	64	66	64
Gas	21	18	19	20	19	18	18	19	19	20
Water	62	55	62	61	62	47	46	47	44	43
Sewer	25	27	24	24	24	37	35	37	34	37
Storm Water	33	31	34	37	38	39	39	37	34	35
<b>Total</b>	<b>840</b>	<b>837</b>	<b>871</b>	<b>882</b>	<b>909</b>	<b>879</b>	<b>863</b>	<b>845</b>	<b>844</b>	<b>836</b>

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

<b>Function/Program</b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Police										
Physical arrests	8,270	11,367	10,985	11,524	12,030	12,281	11,730	9,704	9,014	8,171
Traffic violations	4,114	6,741	6,381	10,073	10,137	10,570	7,241	7,397	6,760	8,098
Fire										
Number of calls answered	7,750	7,679	8,238	8,982	9,346	9,630	9,927	9,478	9,672	9,884
Inspections	2,957	2,361	2,174	2,491	2,385	2,009	2,444	1,996	1,760	2,754
Water										
Number of meters	24,700	24,998	25,172	24,314	24,364	24,927	24,441	24,239	24,365	24,403
Avg daily consumption (millions of gallons)	11.3	11.5	10.11	9.41	10.04	10.44	9.67	9.19	9.50	7.90
Peak daily consumption (millions of gallons)	16.4	13.5	15	15.99	16.39	16.00	15.07	13.71	12.40	13.00
Wastewater										
Avg daily sewer treatment (millions of gallons)	10.2	12.8	8.5	9.9	11.47	9.33	10.51	10.39	11.6	10.3

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	58	58	42	51	51	58	59	63	57	73	66
Fire											
Stations	7	7	7	7	7	7	7	7	7	7	7
Public Works											
Streets (miles)	272	268	263	281	283	284	284	284	284	283	283
Streetlights	6,957	6,957	6,850	6,913	6,919	6,830	6,830	6,949	7,073	7,113	7,207
Recreation and Parks											
Parks	46	41	41	41	41	41	41	41	41	43	43
Acreage	481	473	473	473	473	473	473	473	473	482	506
Swimming Pools	1	2	2	2	2	2	2	2	2	2	2
Tennis Courts	30	37	34	37	37	37	36	36	36	36	36
Recreation centers	3	3	3	3	3	3	3	3	3	3	3
Water											
Water mains (miles)	360	461	473	480	480	480	489	492	492	494	494
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	11	11	10	10	10	9.25	9.25	10	10	10	10
Wastewater											
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21	21
Electric											
Distribution lines (miles)	429	687	720	734	735	733	733	741	742	742	744

Sources: Offices of the Finance Director, Fire Chief, Police Chief, Parks & Recreation Director, Directors of Energy Resources and Water Resources and City Clerk of the City of Rocky Mount, N.C.