

# Comprehensive Annual Financial Report



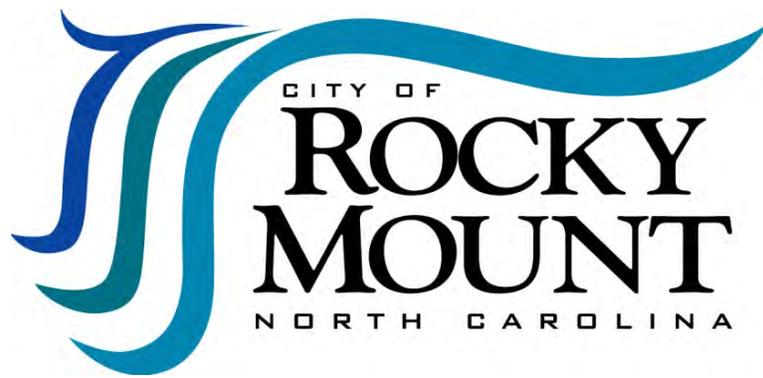
**Fiscal Year Ended June 30, 2013**



**CITY OF ROCKY MOUNT,  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2013**

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



# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

	<u>Page</u>
<b>Introductory Section:</b>	
Letter of Transmittal	1-8
GFOA Certificate of Achievement for Excellence in Financial Reporting	9
Organizational Chart	10
List of Principal Officials	11
<b>Financial Section:</b>	
<b>Independent Auditor's Report</b>	12-14
<b>Management's Discussion and Analysis</b>	15-32
<b><u>Exhibit</u></b>	
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
A	Statement of Net Position 33-34
B	Statement of Activities 35-36
<b>Fund Financial Statements:</b>	
C	Balance Sheet - Governmental Funds 37-38
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds 39
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities 40
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 41-42

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<b>Fund Financial Statements (continued):</b>	
G	Statement of Net Position - Proprietary Funds	43-44
H	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	45-46
I	Statement of Cash Flows - Proprietary Funds	47-50
J	Statement of Fiduciary Net Position - Fiduciary Funds	51
	<b>Notes to the Financial Statements</b>	52-89
	<b>Required Supplemental Financial Data:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	90
A-2	Other Post-Employment Benefits - Required Supplementary Information	91
	<b>Supplementary Information:</b>	
	<b>General Fund:</b>	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	92-101
	<b>Nonmajor Governmental Funds:</b>	
C-1	Combining Balance Sheet	102
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	103
	<b>Nonmajor Special Revenue Funds:</b>	
D-1	Combining Balance Sheet	104-105
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	106-107

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
D-3	Public Transportation Grants Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
D-4	Entitlement Grants Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
D-5	Crime/Safety Control Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
D-6	Economic Development Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111
D-7	Emergency Management Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
D-8	Emergency Telephone System Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	113
D-9	Occupancy Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	114
	<b>Nonmajor Capital Project Funds:</b>	
E-1	Combining Balance Sheet	115
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116
E-3	General Capital Projects Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
E-4	General Capital Development Projects Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Enterprise Funds:</b>	
F-1	Electric Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119
F-2	Gas Operating Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	120
F-3	Water Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	121
F-4	Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	122
F-5	Stormwater Management Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	123
	<b>Internal Service Fund:</b>	
G-1	Risk Management Schedule of Revenues and Expenditures Financial Plan and Actual (Non-GAAP)	124
	<b>Agency Funds:</b>	
H-1	Combining Statement of Changes in Assets and Liabilities	125
	<b>Other Supplemental Schedules:</b>	
I-1	General Fund - Schedule of Ad Valorem Taxes Receivable	126
I-2	Analysis of Current Tax Levy -	127
I-3	Schedule of Interfund Transfers	128-129

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Capital Assets Used in the Operation of Governmental Funds:</b>	
J-1	Comparative Schedule by Source	130
J-2	Schedule by Function and Activity	131-132
J-3	Schedule of Changes by Function and Activity	133
	<b>Statistical Section:</b>	
	Net Position by Component, Last Ten Fiscal Years	134
	Changes in Net Position, Last Ten Fiscal Years	135-136
	Fund Balances of Governmental Funds, Last Ten Fiscal Years	137
	Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	138-139
	General Governmental Expenditures by Function Last Ten Fiscal Years	140
	General Governmental Tax Revenues by Source Last Ten Fiscal Years	141
	General Governmental Revenues by Source Last Ten Fiscal Years	142
	Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years	143
	Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	144
	Principal Property Tax Payers Current Year and Nine Years Ago	145

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

<b>Statistical Section (continued):</b>	<b><u>Page</u></b>
Property Tax Levies and Collections Last Ten Fiscal Years	146
Electric Utility Revenue Rates Fiscal Year 2012-2013	147
Electric Utility Revenue Rates Last Ten Fiscal Years	148-149
Principal Electric Revenue Payers by Business Type Current Year and Nine Years Ago	150
Electric Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	151
Electric Fund Revenues by Source Last Ten Fiscal Years	152
Electric Fund User Charges Last Ten Fiscal Years	153
Gas Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	154
Gas Fund Revenues by Source Last Ten Fiscal Years	155
Gas Fund User Charges Last Ten Fiscal Years	156
Water Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	157
Water Fund Revenues by Source Last Ten Fiscal Years	158
Water Fund User Charges Last Ten Fiscal Years	159

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

	<u>Page</u>
<b>Statistical Section (continued):</b>	
Sewer Fund Revenues, Expenses, and Net Income Last Ten Fiscal Years	160
Sewer Fund Revenues by Source Last Ten Fiscal Years	161
Sewer Fund User Charges Last Ten Fiscal Years	162
Stormwater Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	163
Stormwater Fund Revenues by Source Last Ten Fiscal Years	164
Stormwater Fund User Charges Last Ten Fiscal Years	165
Ratios of Outstanding Debt by Type Last Ten Fiscal Years	166
Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years	167
Computation of Direct and Overlapping Bonded Debt as of June 30, 2013	168
Computation of Legal Debt Margin Last Ten Fiscal Years	169
Pledged Revenue Coverage-Water & Sewer Last Ten Fiscal Years	170
Demographic and Economic Statistics Last Ten Fiscal Years	171
Principal Employers Current Year and Nine Years Ago	172

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

### TABLE OF CONTENTS

	<u>Page</u>
<b>Statistical Section (continued):</b>	
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	173
Operating Indicators by Function/Program Last Ten Fiscal Years	174
Capital Assets Statistics by Function Last Ten Fiscal Years	175

## **INTRODUCTORY SECTION**

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





October 28, 2013

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, 2013.

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, 2013 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, 2013 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**

---

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 56,650, 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 40 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 103. 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 120.

## FACTORS AFFECTING FINANCIAL CONDITION

---

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. 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 13.3% as of June 30, 2013 compared to last year's rate of 13.2%. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services. Rocky Mount is not experiencing the economic recovery to the same extent as most of our metropolitan counterparts in North Carolina and nationwide. Noticeable differences in our local business and industrial base, noted recently in the Twin County Competitiveness Study commissioned by the City, Nash County and Edgecombe County, place us at a competitive disadvantage with those segments of the national and global marketplace (especially technology and biomedicine) that are resuming pre-recession growth patterns. At the same time, Rocky Mount received a revised reduction for in-City population from the 2010 Census. Prior to the Census, the State of North Carolina projected Rocky Mount's population at over 60,000. However, the 2010 Census number is a 3% increase over the 2000 Census. This reduction in the City population has a significant, downward impact on revenues shared between Rocky Mount, the State, and Nash and Edgecombe Counties. This is especially true for Local Option Sales Tax, which is distributed on a per capita basis.

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. Recent economic investments include the expansion of the pharmaceutical manufacturer, Hospira. Hospira is a leading provider of injectable medicines and infusion technologies located in Rocky Mount, currently employing 2,400 people. The expansion is partly possible through a State grant from the One North Carolina fund. The grant will be based on the company investing \$85 million over the first 3 years of the project with a potential investment by Hospira into the community up to \$270 million over the next 10 years. Hospira plans to create 200 additional jobs and make new capital investments for the construction, improvement, upfitting, and equipping of existing and new facilities. The economic development agreement from Nash County and the City of Rocky Mount has a value of up to \$12.5 million over the next 10 years. Also, a new Roses Supercenter has opened in the Edgecombe Park Shopping Center funded by a \$200,000 building reuse grant from the N.C. Rural Center and a \$10,000 contribution by the City. The project is a \$2 million investment for the area and will have a significant impact to the community.

Last fall, Edgecombe County voters approved the ¼ cent sales tax referendum which will be used for the construction of two additions to the Edgecombe Community College campus. Purchases of food, gasoline, motor vehicles, and agricultural machinery will be exempt from the tax increase, as will labor and services. The revenue generated by the tax increase will fund a Biotechnology and Simulation Center on the Rocky Mount campus and a Workforce Training Center on the Tarboro campus. The Biotechnology and Simulation Center will house twelve of the college's health sciences programs. A special feature of the facility will be a simulated hospital environment to provide realistic training opportunities. The Workforce Training Center will centralize training for business and industry, criminal justice, and public safety programs. This is a big opportunity for the community and 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 bring more people downtown and the increased activity will have an economic impact to the downtown area. Also, construction is currently in progress at Nash Health Care, Rocky Mount's hospital. The construction includes a new Emergency Department and Nash Heart Center. The new Emergency Department will feature a separate entrance and specialized area for pediatric patients. The \$57 million investment represents the most significant building expansion the hospital has experienced since the facility opened in 1971.

The City of Rocky Mount has excellent facilities to accommodate sporting events and the local economy is benefiting from the use of these. The City was awarded the rights to the USA South's spring sports championships which began in 2013. The two-year agreement will feature the conference's championship banquet and conference tournaments in six sports held in Rocky Mount and the surrounding areas. Events like these will have a significant economic impact to the community. A recent addition, Dunham's Sports, a national sporting goods chain based in the Midwest will fill the space formerly occupied by Sears at the City's mall. This is a great addition since hundreds of athletes, coaches, and families visit the area nearly every weekend to compete in tournaments at the Rocky Mount Sports Complex, and a major sporting goods store will be very beneficial to Rocky Mount.

Additionally, Acme United Corp., a leading worldwide supplier of innovative cutting, measuring, and safety products to schools, home, office, hardware, and industrial markets has purchased the former RoomStore, Inc furniture building in Rocky Mount located in Edgecombe County which has been vacant for several years. The company plans to use the facility to consolidate two distribution centers and provide space for growth for the company. The company plans to invest over \$500,000 in costs to upgrade the building and equipment and plans to employ 90 workers. Recent renovations and redevelopment along U.S. 301 is set to yield more than \$12 million in capital investments and more than 125 new jobs, including façade improvements to Dunkin Donuts, Red Lobster, Applebee's, Krispy Kreme, and Wendy's. Plus, a new strip shopping center, Barkley Square, located on Sunset Avenue, has been built which offers three new restaurants. All of these new developments will create an economic impact to Rocky Mount that will help grow the economy.

**Long-term financial planning.** The City is committed to budget and spend 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. Within the downtown area is a historic area known locally as the Douglas Block. The redevelopment of the Douglas Block 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 project continues to expand as more residential and commercial tenants are occupying the spaces within the renovated buildings. A new

restaurant, the Prime Smokehouse, was renovated and opened during the year and is bringing in more customers to the downtown area.

In addition, the City continues to plan for 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 City has acquired property for the redevelopment of the Beal Street (Happy Hill) area. This includes the demolition of existing housing that is in unsatisfactory condition, re-combining lots and soliciting private developers to re-invest with new residential construction. The budget for the Beal Street Redevelopment project is over \$900,000 over the next five years and will include funding from federal grants in addition to local funds. In addition, the City is continuing with the plan for neighborhood redevelopment projects. The project involves redevelopment through stabilization of the central city neighborhoods, focusing primarily on Claremont Apartments on Raleigh Road, Edgecombe Meadows, and Holly Street. Redevelopment will consist of purchasing property and demolishing structures to make way for new development. The project has a budget of approximately \$360,000 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 has plans for a neighborhood residential weatherization program. In response to citizen concerns and the findings of the Twin County Competitiveness study, the City plans to supplement existing residential weatherization efforts with City-funded assistance. The project has a budget of \$500,000 over the next five years. These funds will be used to complete rehabilitations for City residents with a focus on reducing utility consumption and related costs. The Gas fund will contribute \$100,000 in the 2014 budget to the City's ongoing energy efficiency and weatherization efforts. The City recognizes the need for extensive housing redevelopment and has an approximate budget of \$9,000,000 over the next five years planned for this purpose. In addition to housing, the City has several large facility improvements that are in the CIP budget. Improvements to the Judicial Center are planned with an approximate cost of \$13,000,000 over the next five years, in addition to the plan to renovate the classroom portion of Booker T. Washington High School to preserve a historic property with an estimated cost of \$8,200,000 over the length of the project. The City has completed work on Phase 1 of the downtown streetscape project that included transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project was budgeted at \$8 million and utilized funding from a federal grant, Powell Bill matching funds, in addition to local funds. The completion of this project has increased activity downtown and is expected to create the interest that will increase private investment in downtown that will help to restore the area as a significant economic contributor to Rocky Mount.

The City is in the middle of constructing a second Point of Delivery Station (POD) for the electrical system. The project includes the new construction of the 2<sup>nd</sup> POD and the rebuild of Substation #8 to include 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 necessary in order to provide a second source of power, thereby increasing power supply reliability. The rebuild of Substation #8 is necessary to ensure system reliability, reduce system losses, and provide a satisfactory level of customer service. This project was financed with installment purchase proceeds and has an estimated cost of almost \$4 million. This project is critical to the electric fund because it provides redundancy in our system that will allow the City to continue to provide power in the event there is interruption at the existing POD station.

The City is nearing completion of the VSA Oxygen Regeneration System located at the Wastewater Treatment Plant. This project was financed by a NC Department of Environment and Natural Resources revolving loan that was funded by federal EPA funds and an ARRA grant funded through the Department of Energy. The cost of the project is close to \$3 million. This project has generated significant improvement to the Wastewater Treatment Plant and has reduced operating costs for the plant in the sewer fund.

This year continued to present challenges for the City due to the continued economic volatility and downturn which created immediate impacts with respect to general government revenues, including taxes, fees, and investment earnings. Recognizing the presence of continued economic problems during the current fiscal year, City staff recommended budget reductions to offset any anticipated shortfalls in revenue. The expenditure reduction actions included no approvals of additional staff positions, the holding of 53 vacant positions, limiting increases in operating costs, eliminating requests for new vehicle purchases and reviewing underutilized vehicles, 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. The City departments have done an excellent job carefully managing their resources. Departments have carefully managed positions and held vacancies when possible, managed overtime usage, monitored supplies and equipment, and employed fuel conservation measures. The Public Works and Water Resources departments were combined to improve efficiencies and reduce costs. The 2014 budget does include provisional funding to cover the salary and benefit costs for “pay for performance” increases from 2% - 3.5% for all eligible full time employees. The City went two budget years without pay increases, but it is essential to restore the “pay for performance” to recognize the dedication and service of our employees. 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.

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. One goal is 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 Downtown Rocky Mount. The City hired a financial advisor during the year that is advising the City on future financing capital projects and debt capacity 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 an event center in the downtown area, and several other building improvements. A market and feasibility study for an events center in the downtown area has been completed and is pending review by City staff and City Council. Other goals and objectives of City Council are a youth employment program, incentive grants for rehabilitation of Downtown properties, 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 0.06%. All of the City’s investments at June 30, 2013 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2013, the City’s cash resources were invested as follows:

Cash on hand	\$ 11,625	.01%
Cash in traditional bank accounts	8,024,764	11.69%
Lease escrow funds	6,627,152	9.70%
North Carolina Capital Management Trust	<u>53,884,722</u>	78.60%
Total	<u>\$ 68,548,263</u>	

**Risk Management-** The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through the purchase of commercial insurance for primary and/or excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control techniques are practiced by the City including employee safety programs, drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City's insurance coverage and self-insured retentions are more fully described in note 10 of the financial statements.

**Pension and other postemployment benefits-** The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2012 was 18 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 6.74% for employees not engaged in law enforcement and 6.77% for law enforcement officers. The State announced that the employer contribution rates would increase for fiscal year 2014 to 7.07% for employees not engaged in law enforcement and 7.28% for law enforcement officers. The increase in required contributions had to be factored in the new budget to ensure that obligations were properly funded.

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, 208 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2012 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, 2012 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**

---

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, 2012. This was the nineteenth 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, 2012. 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,

Handwritten signatures of Charles W. Penny and Amy G. Staton. The signature of Charles W. Penny is on the left, and the signature of Amy G. Staton is on the right, connected by a long horizontal line.

**Charles W. Penny**  
City Manager

**Amy G. Staton**  
Finance Director



Government Finance Officers Association

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

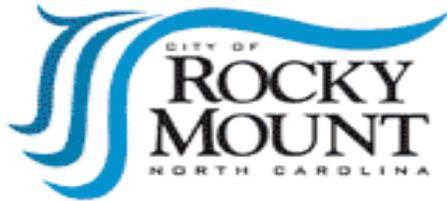
Presented to

**City of Rocky Mount  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

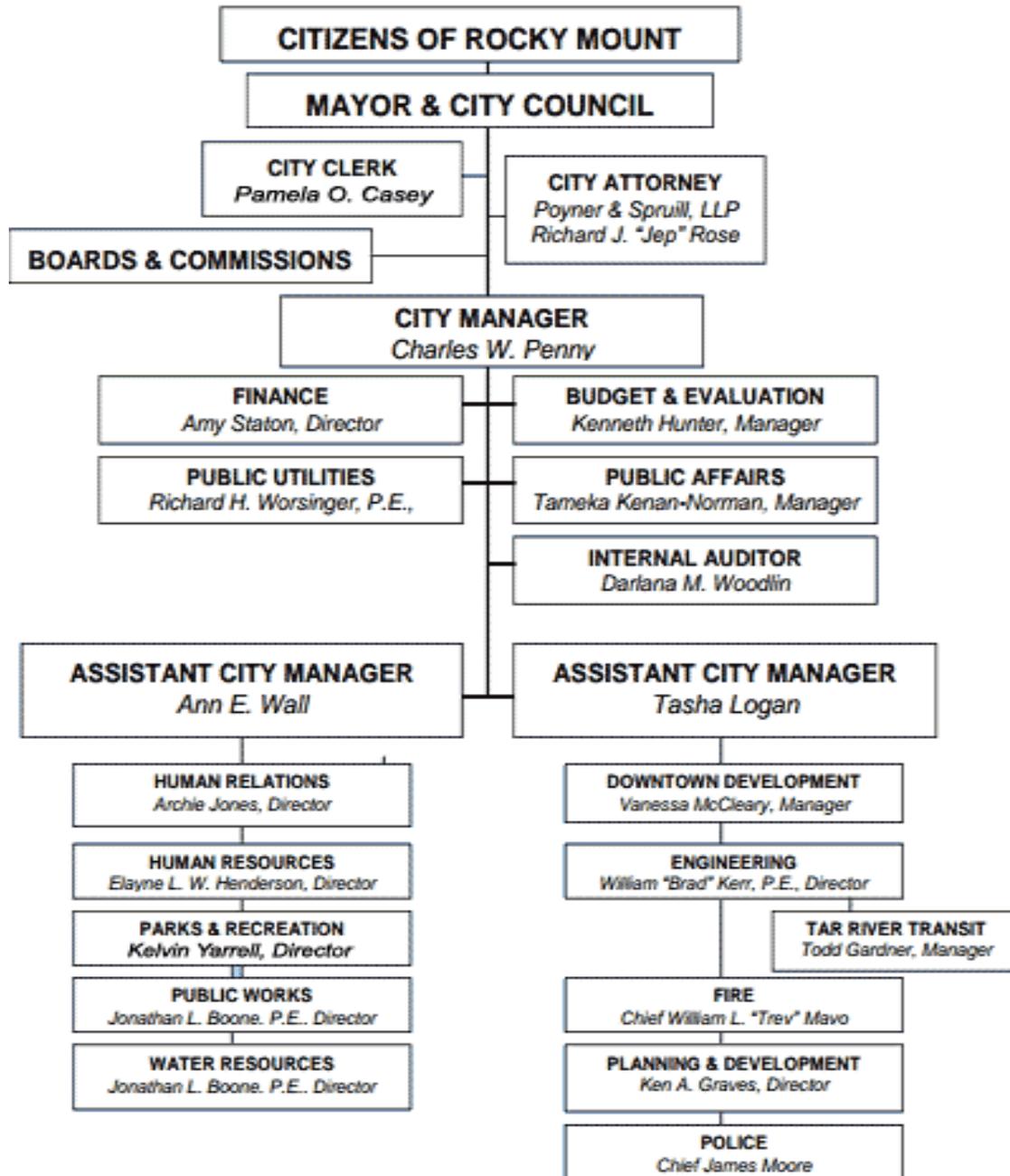
**June 30, 2012**

Executive Director/CEO



# Organization Chart

revised July 2013



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

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2013**

### **CITY COUNCIL**

**David W. Combs, Mayor**  
**Chris Carroll Miller, Mayor Pro-tem**

**Andre D. Knight      Reuben C. Blackwell, IV      Lamont Wiggins**

**Lois Watkins      Tom Rogers      W.B. Bullock**

### **CITY ADMINISTRATION**

**Charles W. Penny, City Manager**  
**Tasha D. Logan, Assistant City Manager**  
**Ann E. Wall, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2013, 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. The statements of the City of Rocky Mount Theatre, LLC were not audited in accordance with *Government Auditing Standards*.

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.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2013, 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 be presented to supplement the basic financial statements. Such information, although not a 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, 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, and the supplemental ad valorem tax 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, and the supplemental ad valorem tax 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 28, 2013 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, NC  
October 28, 2013



## **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, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, follow this narrative and the transmittal letter which is found in the Introductory section and begins on page 1.

### Financial Highlights

---

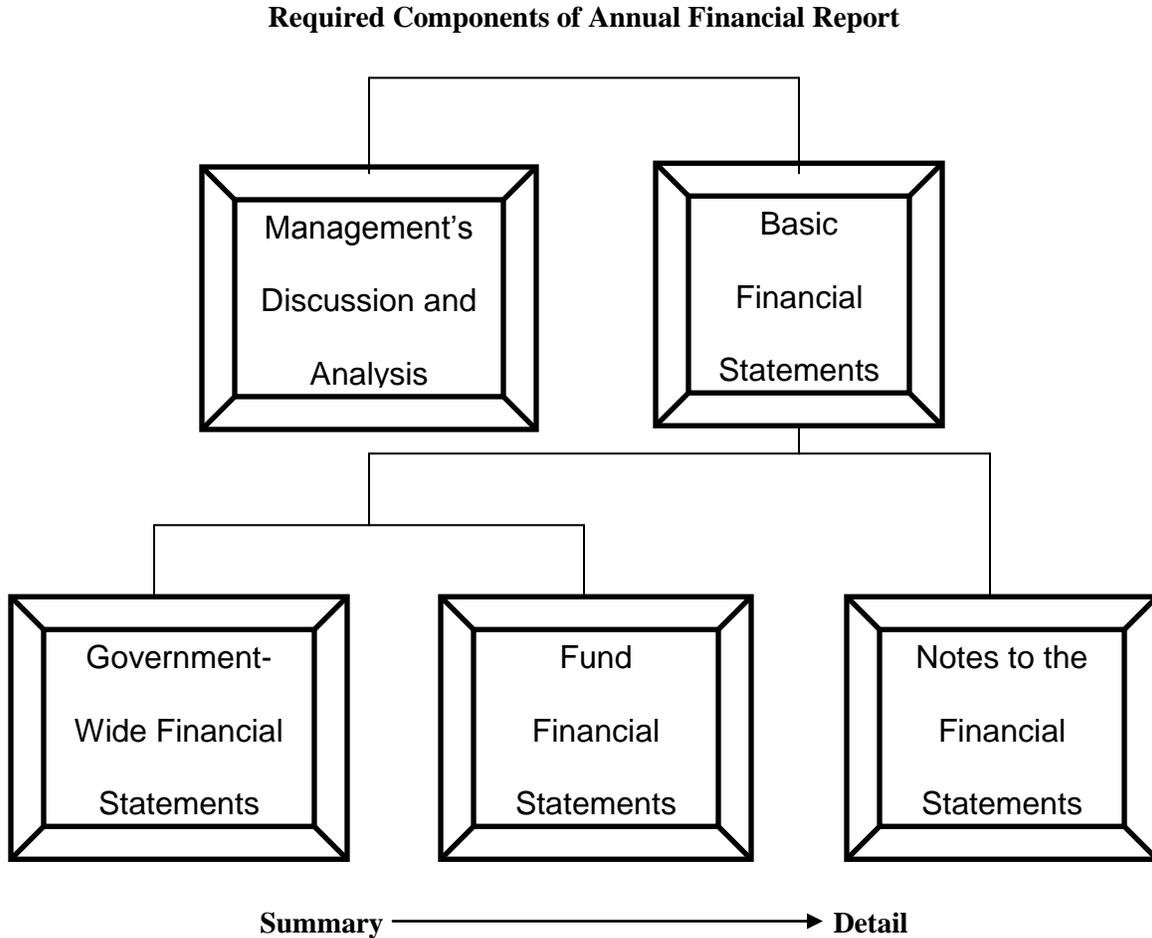
- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$287,833,674 (net position). The net position of the governmental activities is \$118,491,027 and the net position of the business-type activities is \$169,342,647.
- The government's total net position grew by 2.96% or an increase of \$8,264,668 due to growth in both governmental and business-type activities net position.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$28,691,203, an increase of \$3,334,231 from the prior year. Approximately, 51% of this total amount or \$14,707,672 is nonspendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net position of \$169,342,647, an increase of \$6,255,486.
- At the end of the current fiscal year, total unassigned fund balance for the General Fund was \$9,928,645, or 19% 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 33 through 36) 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 37 through 51) 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 final category is the component unit. Although legally separate from the City, the City of Rocky Mount Theatre, LLC is important to the City because the City exercises control over the advisory board by appointing members. The City has the ability to impose its will on the Theatre, and it has a financial burden including being obligated to finance the deficits and provides financial support to the Theatre.

The government-wide financial statements are on pages 33 through 36.

## Fund Financial Statements

---

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

programs. The relationship between government activities (reported in the *statement of net 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 an internal service fund to account for one activity – its self-insured health care. The internal service fund has been included within both the governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, gas, water, sewer and 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

---

**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 52 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 90 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 2013	Governmental Activities 2012	Business-Type Activities 2013	Business-Type Activities 2012	Total 2013	Total 2012
Current and other assets	\$ 40,272,387	\$ 36,567,411	\$ 59,054,440	\$ 53,755,249	\$ 99,326,827	\$ 90,322,660
Capital assets	113,616,301	107,296,994	148,156,453	143,145,918	261,772,754	250,442,912
<b>Total assets</b>	<b>153,888,688</b>	<b>143,864,405</b>	<b>207,210,893</b>	<b>196,901,167</b>	<b>361,099,581</b>	<b>340,765,572</b>
Long-term liabilities	25,763,782	17,913,577	23,772,451	20,809,653	49,536,233	38,723,230
Other liabilities	9,528,866	9,369,580	14,095,795	13,004,353	23,624,661	22,373,933
<b>Total liabilities</b>	<b>35,292,648</b>	<b>27,283,157</b>	<b>37,868,246</b>	<b>33,814,006</b>	<b>73,160,894</b>	<b>61,097,163</b>
<b>Deferred inflows of resources</b>	<b>105,013</b>	<b>99,403</b>	<b>-</b>	<b>-</b>	<b>105,013</b>	<b>99,403</b>
<b>Net assets:</b>						
Net investment in capital assets	93,284,378	94,306,305	129,112,028	127,857,818	222,396,406	222,164,123
Restricted	14,204,158	17,202,949	-	-	14,204,158	17,202,949
Unrestricted	11,002,491	4,972,591	40,230,619	35,229,343	51,233,110	40,201,934
<b>Total net assets</b>	<b>\$ 118,491,027</b>	<b>\$ 116,481,845</b>	<b>\$ 169,342,647</b>	<b>\$ 163,087,161</b>	<b>\$ 287,833,674</b>	<b>\$ 279,569,006</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities and deferred inflows of resources by \$287,833,674 as of June 30, 2013. The City's net position increased by \$8,264,668 for the fiscal year ended June 30, 2013. The largest portion of net position, 77%, 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, 5% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 18% may be used to meet the government's ongoing obligations to citizens and creditors.

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

- There are three components of net position: net investment in capital assets, restricted, and unrestricted. There was an increase of \$232,283 in the category of net position for net investment in capital assets. The increase in net investment in capital assets represents less than 1% of total current year expenses. Restricted net position decreased by \$2,998,791 which is primarily the result of a reduction in the amount restricted by State statute due to a decrease in grant receivables compared to the prior year. The unrestricted net position increased by \$11,031,176 compared to the prior year. Since total net position grew by \$8,264,668 or 4% of total current year expenses, the majority of the increase in net position growth is due to the growth in unrestricted net position.

- The total increase in net position was \$8,264,668 for the year. The total increase in net position for the year was more than the growth in net position from the prior year. The amount of growth was \$762,128 more than the prior year. This was influenced by a reduction in revenues in total by \$4,262,791 or 2.1% compared to the prior year and a reduction in expenses in total by \$5,024,919 or 2.5% compared to the prior year. The governmental activities saw a decrease in revenues of \$9,232,275 while the business type activities saw an increase in revenues of \$4,969,484. Charges for service had an increase of \$5,368,798 or 3.6% which was mainly due to increases in the business type activities which included increases in utility revenues for the electric and gas funds of \$1,958,437 and \$3,740,155, respectively. There was a reduction in operating grants and contributions of \$5,370,082 or 44.3% over the prior year and a decrease in capital grants and contributions of \$4,353,174 or 65.6%. The large decrease in grant funds was related to the large amount of grant funds received in the prior year in response to emergency management related expenses incurred with Hurricane Irene which affected the City in August of 2011, which no emergency management funds were received in the current year. There were also decreases due to the completion of the Downtown Streetscape project and grant funding for the current year was at a much lower level due to the project completion status. There were also decreases in the business-type activities related to grants and contributions as a result of the completion of the Highway 301 street lighting project performed by the Electric fund which was funded by NCDOT in the prior year, in addition to reduced funding in the sewer fund for an energy grant related to the VSA Oxygen system, where there were no funds received in the current year.
- Ad valorem tax revenue increased by \$1,187,268 compared to the prior year. The tax rate in the current year is \$0.58, per \$100 of assessed value, which was an increase from \$0.55, per \$100 of assessed value from the prior year. The increase in revenue for the current year compared to the prior year is the result of the increased tax rate for the year, plus the on-going focus on improving collections efforts by the City, and an increase in the total property valuation compared to the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.29% for property excluding motor vehicles, which was a slight improvement 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 98.32%. The statewide collection percentage is based on 2012 statewide data and is the most recent published percentage and showed an increase of 0.71%. The City continues to be slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 2.03% of the statewide average which was a slight decline to the prior year difference of 1.36%. The collection percentage continues to be impacted by rising unemployment and home foreclosures.

## 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

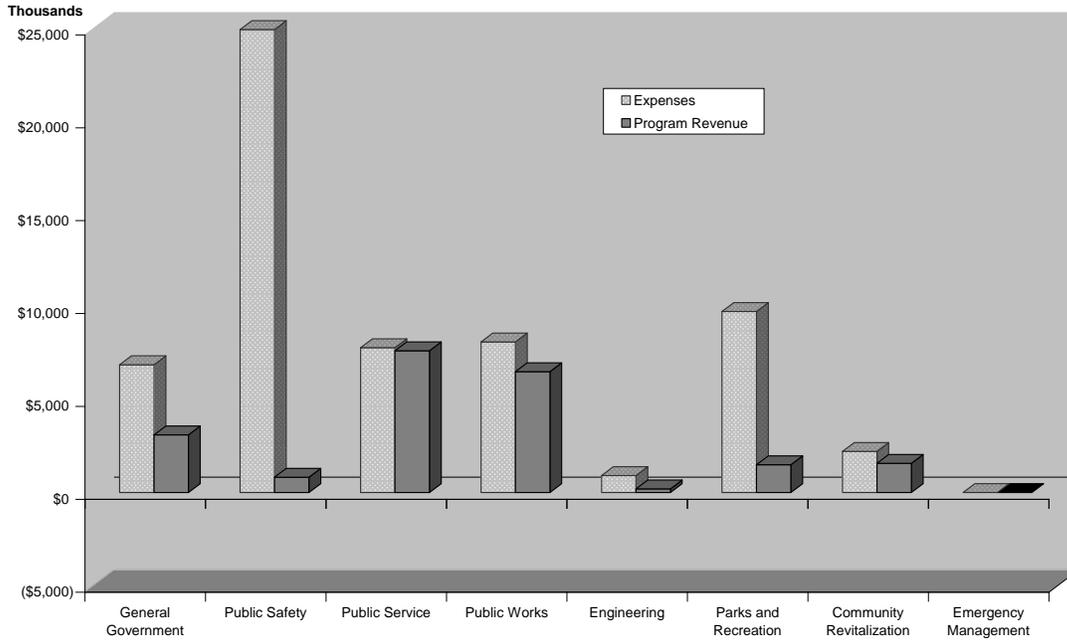
	Governmental Activities 2013	Governmental Activities 2012	Business-type Activities 2013	Business-type Activities 2012	Total 2013	Total 2012	City of Rocky Mount Theatre LLC 2013	City of Rocky Mount Theatre LLC 2012
Revenues:								
Program revenues:								
Charges for services	\$ 12,364,329	\$ 12,476,042	\$ 140,446,094	\$ 134,965,583	\$ 152,810,423	\$ 147,441,625	\$ -	\$ -
Operating grants and contributions	6,759,477	12,126,643	-	2,916	6,759,477	12,129,559	6,504,000	5,584
Capital grants and contributions	2,209,611	5,408,019	70,927	1,225,693	2,280,538	6,633,712	-	-
General revenues:								
Property taxes	22,965,276	21,778,008	-	-	22,965,276	21,778,008	-	-
Other taxes	12,917,613	13,191,468	-	-	12,917,613	13,191,468	-	-
Other	2,233,918	3,702,319	865,119	218,464	3,099,037	3,920,783	-	-
<b>Total Revenues</b>	<b>59,450,224</b>	<b>68,682,499</b>	<b>141,382,140</b>	<b>136,412,656</b>	<b>200,832,364</b>	<b>205,095,155</b>	<b>6,504,000</b>	<b>5,584</b>
Expenses:								
General Government	6,880,948	2,541,551	-	-	6,880,948	2,541,551	-	-
Public safety	24,923,980	25,859,954	-	-	24,923,980	25,859,954	-	-
Parks and Recreation	9,747,554	9,487,899	-	-	9,747,554	9,487,899	-	-
Public Works	8,109,154	9,825,999	-	-	8,109,154	9,825,999	-	-
Engineering	915,057	811,304	-	-	915,057	811,304	-	-
Public Service	7,798,940	10,161,005	-	-	7,798,940	10,161,005	-	-
Emergency Management	-	5,418,215	-	-	-	5,418,215	-	-
Community Revitalization	2,212,833	2,170,571	-	-	2,212,833	2,170,571	-	-
Interest on long-term debt	431,995	492,656	-	-	431,995	492,656	-	-
Electric	-	-	88,899,652	88,705,142	88,899,652	88,705,142	-	-
Gas	-	-	19,418,313	18,345,011	19,418,313	18,345,011	-	-
Water	-	-	8,827,886	9,328,711	8,827,886	9,328,711	-	-
Sewer	-	-	11,157,497	11,091,914	11,157,497	11,091,914	-	-
Storm Water	-	-	3,243,887	3,352,683	3,243,887	3,352,683	-	-
Component unit	-	-	-	-	-	-	241,435	268,946
<b>Total Expenses</b>	<b>61,020,461</b>	<b>66,769,154</b>	<b>131,547,235</b>	<b>130,823,461</b>	<b>192,567,696</b>	<b>197,592,615</b>	<b>241,435</b>	<b>268,946</b>
Change in net assets before transfers	(1,570,237)	1,913,345	9,834,905	5,589,195	8,264,668	7,502,540	6,262,565	(263,362)
Transfers	3,579,419	3,066,000	(3,579,419)	(3,066,000)	-	-	-	-
Change in Net Assets	2,009,182	4,979,345	6,255,486	2,523,195	8,264,668	7,502,540	6,262,565	(263,362)
Net Assets, July 1	116,481,845	111,502,500	163,087,161	160,563,966	279,569,006	272,066,466	(11,493)	251,869
Net Assets, July 1, as restated							(63,121)	
Net Assets, June 30	\$ 118,491,027	\$ 116,481,845	\$ 169,342,647	\$ 163,087,161	\$ 287,833,674	\$ 279,569,006	\$ 6,199,444	\$ (11,493)

**Governmental Activities:** Governmental activities increased the City's net position by \$2,009,182, representing 24.3% 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 decreased \$9,232,275 or 13% compared to the prior year. This reduction is primarily the result of the decrease in operating grants and contributions of \$5,367,166 or 44% for the year and the decrease in capital grants and contributions of \$3,198,408 or 59% in revenue compared to the prior year. As discussed, these net decreases in grants and contributions compared to the prior year were related to no emergency management funds being received during the year compared to the prior year and due to the reduced level of funding received during the year related to the Downtown Streetscape project due to the project completion status. Property tax revenue increased by \$1,187,268 compared to the prior year, as mentioned previously, due to the increase in the tax rate increase from \$0.55 to \$0.58, the increase in the total property valuation, and the continuing efforts by the City to improve our collection rate. Other tax revenues had a decrease of \$273,855 or 2% compared to the prior year which was related to a decrease in local option tax revenues for the year.
- Total expenses for governmental activities decreased \$5,748,693 or 9%. General government expenses increased by \$4,339,397 or 171% and Public works expenses decreased by \$1,716,845 or 17.5% as a result of the full accrual impact related to capital outlay for capital assets and depreciation expenses being allocated to the functions. The prior year there were significant changes in the opposite direction so the change in the current year is skewed due to that reason. There was the decrease in emergency management by \$5,418,215 for the year compared to the prior year since there were no emergency management events during the year such as hurricanes or other natural disasters. Public service expenses decreased by \$2,362,065 or 23.3% primarily related to the decrease in expenses related to the Downtown Streetscape project which was completed during the year and a decrease in the funding spent on Powell bill expenses.

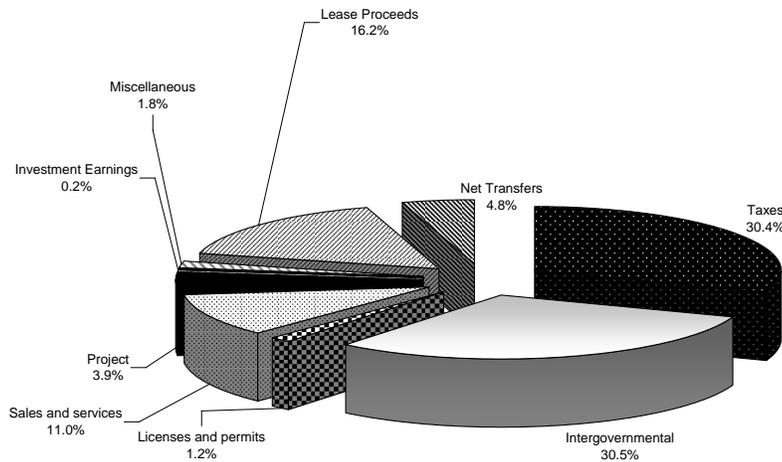
**Figure 4:**

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



**Figure 5:**

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

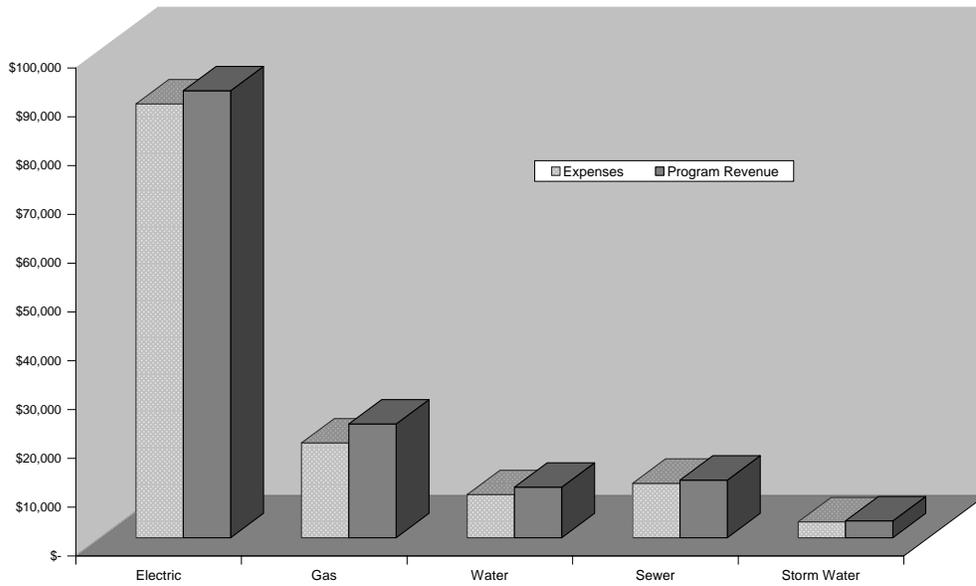


**Business-Type Activities:** Business-type activities increased the City's net position by \$6,255,486, representing 75.7% of the growth in the City's total net position. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities increased \$4,969,484 or 4% compared to the prior year. Charges for services for business-type activities increased by a combined \$5,480,511 or 4% over the prior year. Of this amount, Electric revenue increased by \$1,958,437 or 2% over the prior year due to an increase in consumption by 2%. Natural gas revenue increased \$3,740,155 or 19% 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. Charges for service revenues were comparable to the prior year for water, sewer, and stormwater. Capital grants and contributions for business-type activities decreased by \$1,154,766 or 94% compared to the prior year due to the completion of the Highway 301 street lighting project performed by the Electric fund which was funded by NCDOT in the prior year, and in the prior year the sewer fund received an energy grant for the VSA Oxygen system project, whereas no funding was received in the current year.
- Expenses for business-type activities increased a combined \$723,774 or 1% compared to the prior year. The expenses for electric and sewer were comparable to the prior year. Expenses for natural gas increased by 6% which was the result of the increase in purchases of natural gas for resale to customers. Expenses for water and stormwater decreased by 5% and 3%, respectively, due to decreases in operating and capital expenses.
- The business-type activities transferred net funds to the governmental funds totaling \$3,579,419. This is an increase of \$513,419 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was an increase of \$6,255,486. All business-type operations resulted in net operating income after transfers. The change in net position for Electric, Gas, Water, Sewer, and Stormwater was \$1,769,085, \$2,627,767, \$900,236, \$628,242, and \$330,156, respectively. The growth in net position for the current year was \$3,732,291 which added to the net position for the business-type activities.

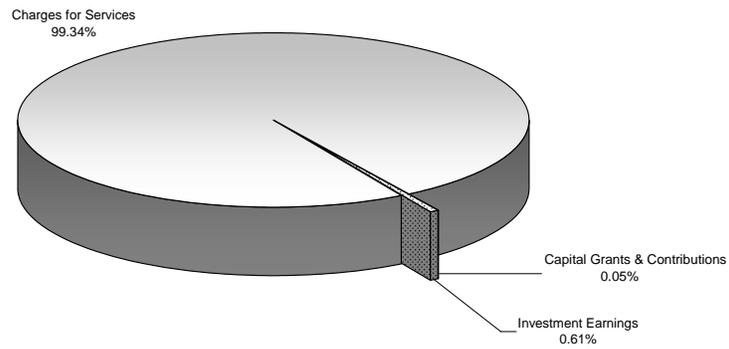
**Figure 6:**

**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

---

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 \$28,691,203, an increase of \$3,334,231 in comparison with the prior year. Of this amount, \$9,469,485, or 33% 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 \$503,514. The current year fund balance that has been restricted is \$14,204,158. The current year fund balance that has been committed is \$1,173,041. The current year fund balance that has been assigned is \$3,341,005. A portion of the assigned fund balance, \$2,429,395, 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 \$9,928,645 while total general fund balance was \$24,069,433. 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 19% of total General Fund expenditures, while total fund balance represents 46% of that same amount, both slightly higher than the prior year.

At June 30, 2013, the governmental funds of the City reported a combined fund balance of \$28,691,203, a 13% increase over last year. Included in this change in fund balance is an increase in fund balance in the General Fund by \$3,249,721 with an increase of \$84,510 in the nonmajor governmental funds, with Special Revenue Funds increasing \$158,393 and Capital Project Funds decreasing \$73,883. The General Fund increase is mostly due to the decrease in expenditures as a result of budget reductions and limited growth in base expenditures, combined with an increase in tax revenues and an increase in installment purchase financing proceeds received in the year compared to the prior year. Within the Special Revenue Funds, the fund balance for all funds increased with the exception of Economic Development, Emergency Management, and Occupancy Tax. The fund balance in the General Projects Funds decreased in total, but was comprised of a significant increase in General Capital due to the unspent installment proceeds received on the Imperial Centre financing project, while the General Capital Development had a significant decrease which was primarily the result of the Downtown Streetscape project nearing the completion status. 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 less than the budget amount by \$826,662. This was primarily because Intergovernmental revenues were less than budget by \$809,846. The amount received for local option sales tax was less than the budget by \$500,568. In addition, State grants were less than budget by \$234,832 due to delays in some NCDOT projects where the revenues were budgeted in the current year but expenses have not been incurred to be reimbursed yet. Ad valorem taxes were more than budget by \$141,770 due to the increase in the total property valuation compared to the prior year. Investment earnings for the general fund were more than budget by \$54,039 due to increased late fees and interest penalties compared to the prior year. In addition the investment earnings improved some due to some changes in our investment strategies that have generated a greater return on our investments.

The actual operating expenses for the General Fund were less than the budget amount by \$6,588,363. The most significant savings were realized due to money appropriated to projects that was unspent at fiscal year end. There were also efforts made by staff to reduce spending to offset any possible shortfalls in revenue and as an attempt to increase fund balance for the General Fund. General government departments have expenditures less than the budget of \$1,090,483. Within the general government departments, the Finance department has expenditures less than the budget of \$215,970. Much of this is related to unspent budget in maintenance and service contracts, computer software, and capital outlay for computer equipment. Of this amount, \$132,375 was re-appropriated in 2014. The Central Services has expenditures less than the budget of \$267,112 primarily due to unspent capital items in the Property management division for City Hall projects. This amount was re-appropriated in 2014. The Mayor and council department has expenditures less than the budget of \$157,940 which is mainly due to the contingency budget that was not expended. The Planning and Development department has expenditures less than the budget of \$223,127 which is mainly due to the funds budgeted for economic redevelopment, neighborhood redevelopment, and strategic initiatives approved by City Council not being fully expended. There were budget savings within Public Safety with expenditures less than the budget by \$1,299,379. Of this amount, the Police department had expenditures less than budget of \$380,863 for operating and capital items, and the Fire department has expenditures less than budget of \$918,516 primarily due to unspent capital funds to purchase a new fire truck that had not been delivered at yearend. Of this amount for Public Safety, \$716,118 was re-appropriated in 2014. The Public works department has expenditures less than the budget of \$1,877,601 in part due to unspent capital items and unused funds pertaining to the waste management contract within the Public works department. Of the amount unspent on capital items, \$990,627 was re-appropriated in 2014. There were savings within Public service of \$2,005,431 as a result of not spending allocated Powell Bill funds. Of this amount, \$1,577,755 was re-appropriated to fiscal year 2014 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 \$14,451,911 for the Electric Fund, \$10,370,371 for the Gas Fund, \$6,495,228 for the Water Fund, \$7,044,336 for the Sewer Fund, and \$1,868,773 for the Stormwater Fund. The total growth of net position for each fund was \$1,769,085, \$2,627,767, \$900,236, \$628,242, and \$330,156 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## Capital Asset and Debt Administration

---

**Capital Assets.** The City's capital assets for its governmental and business-type activities as of June 30, 2013, totals \$261,772,754 (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

- Imperial Centre acquisition \$8,741,472
- Downtown Streetscape construction \$1,203,391
- Street resurfacing \$671,065
- Police Department (12) 2013 Dodge Chargers and equipment \$342,423
- Soccer concession stand/restroom area construction \$265,332
- Environmental Services Refuse Labrie sideloader and body \$223,530
- City Hall air handler & water boiler \$168,176
- Transit (2) rural vehicles \$136,782
- Police Department (26) flashback 2 in-car video systems \$128,754
- Cultural Arts mobile stage \$123,446

### Proprietary Funds:

#### Additions

- Sewer Department River Drive outfall project \$1,919,697
- Gas Department Main installations \$1,333,262
- Construction in progress for Electric Department 2nd point of delivery station and substation 8 on Greyson Road \$1,294,447. Total expended over the life of the project \$2,283,796
- Wastewater Treatment Plant VSA oxygen system \$1,100,681
- Construction in progress for Water Department Ford's Colony section 4 project phases I & II \$815,561. Total expended over the life of the project \$815,561
- Stormwater Department Long Branch Phase II \$503,857
- Construction in progress for Water Department rehabilitation of water tanks at Airport Road and Nash Community College \$438,197. Total expended over the life of the project \$438,197
- Electric Department Downtown Streetscape construction \$404,833
- Water Treatment plant sodium hypochlorite system \$336,442
- Electric Department distribution lines-transformers \$242,352
- Gas Department distribution lines-new service \$241,789
- Electric Department distribution lines-overhead \$196,656
- Stormwater Department Volvo wheeled hydraulic excavator \$190,680
- Stormwater Department Elgin street sweeper \$190,148
- Stormwater Department Hi Cube TV inspection van \$173,006

- Stormwater Department Downtown Streetscape construction \$170,053
- Sewer Department Downtown Streetscape construction \$164,011
- Water Department Rose Quarry land final payment \$150,000
- Electric Department substation 8 control building \$147,767
- Electric Department distribution lines-underground \$131,139
- Water Department Downtown Streetscape construction \$112,032

**Figure 8:**

**City of Rocky Mount's  
Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 8,518,845	\$ 8,644,066	\$ 2,684,187	\$ 2,494,834	\$ 11,203,032	\$ 11,138,900
Building	40,954,266	33,789,357	35,765,702	36,786,070	76,719,968	70,575,427
Improvements other than buildings	13,480,181	14,191,548	1,301,296	1,711,810	14,781,477	15,903,358
Machinery and equipment	10,559,672	11,777,048	23,780,764	22,619,384	34,340,436	34,396,432
Infrastructure	39,921,431	34,575,984	79,215,909	72,817,513	119,137,340	107,393,498
Construction in progress	181,905	4,318,991	5,408,595	6,716,307	5,590,500	11,035,298
Total Capital Assets (net of accumulated depreciation)	\$ 113,616,301	\$ 107,296,994	\$ 148,156,453	\$ 143,145,918	\$ 261,772,754	\$ 250,442,912

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, 2013, the City had installment leases outstanding of \$35,861,404. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$400,000 for the purchase of a former YMCA facility that is being used by the City for our Senior Center, and the City has debt outstanding in the amount of \$2,365,000 for a HUD loan that has been used to finance the Douglas Block redevelopment project, and debt obligations in the amount of \$785,052 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 \$7,377,096.

**Figure 9:**

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Installment purchases	\$ 20,558,364	\$ 11,274,007	\$ 15,303,040	\$ 13,468,136	\$ 35,861,404	\$ 24,742,143
Other debt	3,550,052	3,844,046	-	-	3,550,052	3,844,046
Revolving Loans	-	-	7,377,096	5,268,013	7,377,096	5,268,013
Total	\$ 24,108,416	\$ 15,118,053	\$ 22,680,136	\$ 18,736,149	\$ 46,788,552	\$ 33,854,202

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 \$312,223,830.

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 2014.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.3% at June 30, 2013. This is a 0.1% increase in the unemployment rate compared to the prior year. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services.
- In the midst of continued economic uncertainty, influenced by inflationary pressures, uncertain growth from existing revenues and challenges to baseline funding, the City will operate in a climate heavily influenced by minimal resident purchasing power, high unemployment, depopulation, a weak housing recovery, and significant volatility in key commodity prices, such as the cost of fuel, chemicals, and building materials.
- Revenues shared with the state and other local governments, such as sales taxes and franchise fees, do not perform in a manner suggesting reliable growth at this point. Overall, these revenues are projected to perform at or slightly below current levels. Sales tax revenue in the current year decreased 3% compared to the prior year. Our retail sales for the Rocky Mount metropolitan statistical area are comprised mostly of essential goods.

## **Budget Highlights for the Fiscal Year Ending June 30, 2014**

**Governmental Activities:** The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2014, the budget decreased 1% 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, reflecting observed residential and commercial growth of approximately 1% compared to last year estimates. However, there is no property tax rate increase in the 2014 budget. Stagnant statewide and local economic activity have also prevented growth experienced naturally in the past with critical revenue sources, including the Powell Bill allocation for surface transportation improvements, business license and permit fees and charges for planning submissions and inspections related to new local economic development. Fees and charges for services remain stable with a few exceptions. Fees for services provided by Parks & Recreation include increases of approximately 10% to most fees for these programs. Solid waste services provided by the Public Works department represent our largest fee-supported operation in the General Fund. It is necessary to include a \$1 per month increase in the residential rollout cart fee, along with a \$0.25 per month increase in the recycling fee to cover the increased costs for replacement of inefficient, first generation rollout carts, along with the continued expansion of

rollout cart service for recycling. Also included is a \$1 per ton increase in rates charged for use of our solid waste transfer station, reflecting increased costs for contracted disposal services. Revenues from this operation reflect a decrease due to a reduction in volume from our largest customer. Interest revenues have improved slightly as a result of changes with current investment strategies.

Budgeted expenditures in the governmental activities also decreased 1%. The expenditure reduction actions included no approvals of additional staff positions, the holding of 31 vacant positions in the general fund, limiting increases in operating costs, eliminating requests for new vehicle purchases and reviewing underutilized vehicles, in addition to reducing CIP debt-funded expenditures in order to reduce the impact of debt payments in the coming years. 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 by promoting and implementing aggressive initiatives to encourage residential, commercial, and industrial development in and around Downtown Rocky Mount; and to be able to fund the City Council's established goals and objectives which include the hiring of a financial advisor who will advise the City on future financing capital projects, a youth employment program, incentive grants for rehabilitation of Downtown properties, and necessary demolition of dilapidated residential and commercial structures. The budget also provides funding for continuing work on catalytic projects for the Central City. Employee compensation, including pay and benefits, continues to represent a large amount of the budget. This budget includes provisional funding to cover the salary and benefit costs for "pay for performance" increases from 2% - 3.5% for all eligible full time employees. The City went two budget years without pay increases, but it is essential to restore the "pay for performance" to recognize the dedication and service of our employees. The City's employer contribution to the North Carolina Local Government Employee Retirement System will increase by a little less than 5%. The budget includes increases for unemployment compensation with the recent changes in legislation which the State requires the City contribute to a contingency reserve on behalf of each part-time and full-time employee. The budget also includes the first increase in the level paid by the City for active employee insurance premiums since 2007. Despite changes made by the City, costs for the City's self-insured health plan continue to increase. The budget includes a 5% increase in premiums paid by the City and its employees. The City continues to offer our employees two options for coverage: the Preferred Provider Organization (PPO), or a Health Savings Account (HSA), and employees will be eligible for a discount this year on their health insurance premiums if they participate in a voluntary screening program. The City will facilitate services to help employees improve their health through some new initiatives. 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 Police department continues to focus its attention on enhancing training opportunities in order to better equip officers with the knowledge and techniques necessary to better handle investigations and respond to citizen needs. The Fire department underwent a comprehensive evaluation for its accreditation through the Commission on Fire Accreditation International (CFAI) which identified some improvements to training and personnel management that will be implemented in the coming budget year. The Public Works department continues to implement improvements that will increase local participation in recycling and reducing costs associated with the disposal of trash, by implementing automated collection vehicles and utilization of vehicles running on compressed natural gas (CNG) that provide additional opportunities to control and reduce staffing and fuel costs. Within the General Capital fund, there is funding for the replacement of Police patrol vehicles, improvements to City Hall and technology infrastructure, Downtown Development and Community Reinvestment activities, improvements to multiple Parks & Recreation facilities and renovations to the solid waste transfer station. Within the Powell Bill fund, stagnant Powell Bill revenues limit our ability to resurface City roads to once per two years. Significant cuts were

made to the allocation for road maintenance services provided by Public Works and Stormwater Management.

**Business-Type Activities:** The business-type funds' budget decreased 2% for the fiscal year ending June 30, 2014. Charges for service represent the largest revenues in the business-type funds. The Gas fund continues to see 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 services, increasing our gas sales during the warmer months. The Electric fund continues to see reduction in sales compared to prior years, driven by loss of key industrial accounts, limited growth, and cooler-than-normal summers. Also, residents and businesses are utilizing conservation efforts to conserve electric and water consumption which has an impact on sales for both electric and water utilities. Also, the Water fund has seen some reduction in sales due to economic conditions impacting residential and industrial customers. In the Electric fund, the budget includes a \$4 per month increase to the base service charge for traditional residential service (from \$10 per month to \$14 per month), with proportionate increases for other types of electric service. In the Water fund, the budget includes a \$1 increase in the base retail customer charge (inside city limits) and a 5% increase in per unit consumption rates. Customers served outside City Limits will see their water rates increased in proportion with existing fee schedules. These charges for both electric and water do not impact rates for usage and is not subject to weather variance, minimizing the impact by distributing the costs across all customers. There is no increase to gas, sewer, and stormwater rates. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses for business-type activities decreased 2%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. In order to offset the loss of revenue created by usage reductions, staff made reductions of approximately \$1 million in capital and other operating reductions in the Electric fund. The Gas fund will be able to contribute \$100,000 in the coming year to the City's ongoing residential energy efficiency and weatherization efforts. The City is holding 10 positions vacant in Water Resources, 7 in Stormwater, and 5 in Public Utilities. Capital project funding is limited; however, the priority in capital expenditures is to provide funding to adequately complete and equip projects that are already underway or for which a commitment has been made. Funding is provided for distribution system improvements, replacement of treatment plant pumps, continued rehabilitation of existing sewer mains, and drainage improvements in areas prone to flooding.

### **Requests for Information**

---

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

# **BASIC FINANCIAL STATEMENTS**

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<u>Primary Government</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>City of Rocky Mount Theatre, LLC</u>
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/ investments	\$ 17,963,366	\$ 34,553,604	\$ 52,516,970	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	2,125,846	-	2,125,846	-
Taxes-other	8,107	-	8,107	-
Customers	757,207	13,149,450	13,906,657	-
Other governmental agencies	3,709,253	-	3,709,253	-
Notes receivable	-	19,066	19,066	-
Assessments	2,957,471	235,346	3,192,817	-
Other	5,066,324	531,644	5,597,968	-
Prepaid items	99,000	-	99,000	-
Inventories	404,514	2,136,334	2,540,848	-
Restricted cash and investments	7,181,299	8,428,996	15,610,295	-
Total current assets	<u>40,272,387</u>	<u>59,054,440</u>	<u>99,326,827</u>	<u>100</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	8,700,750	8,092,782	16,793,532	6,581
Depreciable, net	104,915,551	140,063,671	244,979,222	8,131,793
Total capital assets	<u>113,616,301</u>	<u>148,156,453</u>	<u>261,772,754</u>	<u>8,138,374</u>
Total assets	<u>153,888,688</u>	<u>207,210,893</u>	<u>361,099,581</u>	<u>8,138,474</u>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable and accrued expenses	3,169,488	8,650,251	11,819,739	137,167
Current compensated absences	1,974,195	525,496	2,499,691	-
Current maturities of long-term debt	4,385,183	4,920,048	9,305,231	-
Total current liabilities	<u>9,528,866</u>	<u>14,095,795</u>	<u>23,624,661</u>	<u>137,167</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	390,771	4,793,285	5,184,056	-
Accrued compensated absences	1,406,271	203,015	1,609,286	-
Long-term debt	23,966,740	18,776,151	42,742,891	1,801,863
Total noncurrent liabilities	<u>25,763,782</u>	<u>23,772,451</u>	<u>49,536,233</u>	<u>1,801,863</u>
Total liabilities	<u>35,292,648</u>	<u>37,868,246</u>	<u>73,160,894</u>	<u>1,939,030</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	33,368	-	33,368	-
Unspent cable franchise agreement	71,645	-	71,645	-
Total deferred inflows of resources	<u>105,013</u>	<u>-</u>	<u>105,013</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	93,284,378	129,112,028	222,396,406	6,336,511
Restricted for:				
Stabilization by State statute	7,676,915	-	7,676,915	-
Streets	3,006,830	-	3,006,830	-
Capital projects	2,991,441	-	2,991,441	-
Public safety	406,753	-	406,753	-
Parks and recreation	103,469	-	103,469	-
Community revitalization	18,750	-	18,750	-
Unrestricted	<u>11,002,491</u>	<u>40,230,619</u>	<u>51,233,110</u>	<u>(137,067)</u>
Total net position	<u>\$ 118,491,027</u>	<u>\$ 169,342,647</u>	<u>\$ 287,833,674</u>	<u>\$ 6,199,444</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, 2013**

	<u>Expenses</u>	<u>Program Revenues</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	\$ 6,880,948	\$ 2,229,303	\$ 875,566	\$ -
Public safety	24,923,980	341,203	482,024	-
Public works	8,109,154	6,485,381	22,888	-
Engineering	915,057	31,051	168,020	-
Parks and recreation	9,747,554	1,254,131	240,054	87,271
Public service	7,798,940	2,023,260	3,401,291	2,122,340
Emergency management	-	-	(630)	-
Community revitalization	2,212,833	-	1,570,264	-
Interest on long-term debt	431,995	-	-	-
Total governmental activities	<u>61,020,461</u>	<u>12,364,329</u>	<u>6,759,477</u>	<u>2,209,611</u>
<b>Business-Type Activities:</b>				
Electric	88,899,652	91,591,100	-	8,094
Gas	19,418,313	23,315,073	-	-
Water	8,827,886	10,349,229	-	-
Sewer	11,157,497	11,772,500	-	29,588
Storm water management	3,243,887	3,418,192	-	33,245
Total business-type activities	<u>131,547,235</u>	<u>140,446,094</u>	<u>-</u>	<u>70,927</u>
Total primary government	<u>\$ 192,567,696</u>	<u>\$ 152,810,423</u>	<u>\$ 6,759,477</u>	<u>\$ 2,280,538</u>
<b>Component Unit:</b>				
City of Rocky Mount Theatre, LLC	\$ 241,435	\$ -	\$ 6,504,000	\$ -
Total component unit	<u>\$ 241,435</u>	<u>\$ -</u>	<u>\$ 6,504,000</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Ad valorem taxes				
Local option taxes				
Franchise taxes				
Telecommunication taxes				
Miscellaneous				
Investment earnings				
Loss on sale of assets				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
<b>Net Position:</b>				
Beginning of year - July 1				
Restatement				
Beginning of year, as restated				
End of year - June 30				

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

**Exhibit B**

<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>City of Rocky Mount Theatre, LLC</b>
\$ (3,776,079)	\$ -	\$ (3,776,079)	\$ -
(24,100,753)	-	(24,100,753)	-
(1,600,885)	-	(1,600,885)	-
(715,986)	-	(715,986)	-
(8,166,098)	-	(8,166,098)	-
(252,049)	-	(252,049)	-
(630)	-	(630)	-
(642,569)	-	(642,569)	-
(431,995)	-	(431,995)	-
<u>(39,687,044)</u>	<u>-</u>	<u>(39,687,044)</u>	<u>-</u>
-	2,699,542	2,699,542	-
-	3,896,760	3,896,760	-
-	1,521,343	1,521,343	-
-	644,591	644,591	-
-	207,550	207,550	-
-	<u>8,969,786</u>	<u>8,969,786</u>	<u>-</u>
<u>(39,687,044)</u>	<u>8,969,786</u>	<u>(30,717,258)</u>	<u>-</u>
-	-	-	<u>6,262,565</u>
-	-	-	<u>6,262,565</u>
22,965,276	-	22,965,276	-
9,158,432	-	9,158,432	-
2,931,777	-	2,931,777	-
827,404	-	827,404	-
2,884,862	-	2,884,862	-
129,915	865,119	995,034	-
(780,859)	-	(780,859)	-
<u>38,116,807</u>	<u>865,119</u>	<u>38,981,926</u>	<u>-</u>
<u>3,579,419</u>	<u>(3,579,419)</u>	<u>-</u>	<u>-</u>
<u>41,696,226</u>	<u>(2,714,300)</u>	<u>38,981,926</u>	<u>-</u>
<u>2,009,182</u>	<u>6,255,486</u>	<u>8,264,668</u>	<u>6,262,565</u>
116,481,845	163,087,161	279,569,006	(11,493)
-	-	-	(51,628)
<u>116,481,845</u>	<u>163,087,161</u>	<u>279,569,006</u>	<u>(63,121)</u>
<u>\$ 118,491,027</u>	<u>\$ 169,342,647</u>	<u>\$ 287,833,674</u>	<u>\$ 6,199,444</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 14,696,681	\$ 3,272,185	\$ 17,968,866
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	2,114,890	10,956	2,125,846
Other taxes	8,107	-	8,107
Customers	757,207	-	757,207
Other governmental agencies	2,730,096	979,157	3,709,253
Due from other funds	394,024	-	394,024
Assessments	2,957,471	-	2,957,471
Other	3,986,653	1,063,565	5,050,218
Prepaid items	-	99,000	99,000
Inventories	404,514	-	404,514
Restricted cash and investments	6,057,957	331,085	6,389,042
Total assets	<u>\$ 34,107,600</u>	<u>\$ 5,755,948</u>	<u>\$ 39,863,548</u>
<b>Liabilities, Deferred Inflows, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 2,233,628	\$ 723,698	\$ 2,957,326
Due to other funds	-	394,024	394,024
Liabilities to be paid from restricted assets	385,271	5,500	390,771
Total liabilities	<u>2,618,899</u>	<u>1,123,222</u>	<u>3,742,121</u>
<b>Deferred Inflows of Resources:</b>			
Assessments receivable	2,957,471	-	2,957,471
Taxes receivable	2,114,890	10,956	2,125,846
Miscellaneous receivables	2,241,894	-	2,241,894
Prepaid taxes	33,368	-	33,368
Unspent cable franchise agreement	71,645	-	71,645
Total deferred inflows of resources	<u>7,419,268</u>	<u>10,956</u>	<u>7,430,224</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories	404,514	-	404,514
Prepaid items	-	99,000	99,000
<b>Restricted:</b>			
Stabilization by State statute	5,634,193	2,042,722	7,676,915
Streets	3,006,830	-	3,006,830
Future capital projects	2,665,856	325,585	2,991,441
Public safety	-	406,753	406,753
Parks and recreation	-	103,469	103,469
Community revitalization	-	18,750	18,750

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	<b>Major Fund</b>	<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Governmental</b>	<b>Governmental</b>
		<b>Funds</b>	<b>Funds</b>
<b>Committed:</b>			
Public service	-	923,526	923,526
Future capital projects	-	249,515	249,515
<b>Assigned:</b>			
Subsequent year's expenditures	2,429,395	-	2,429,395
Capital projects	-	911,610	911,610
<b>Unassigned:</b>			
General fund	9,928,645	-	9,928,645
Public safety	-	(11,528)	(11,528)
Community revitalization	-	(447,632)	(447,632)
Total fund balances	24,069,433	4,621,770	28,691,203
Total liabilities, deferred inflows of resources, and fund balances	\$ 34,107,600	\$ 5,755,948	\$ 39,863,548

**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	\$ 28,691,203
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	113,616,301
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	7,325,211
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.	687,331
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(28,351,923)
Compensated absences	(3,380,466)
Claims and judgments	(96,630)
Net position of governmental activities	\$ 118,491,027

*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, 2013

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
<b>Revenues:</b>			
Taxes	\$ 22,776,770	\$ 73,715	\$ 22,850,485
Intergovernmental	17,166,888	5,766,141	22,933,029
Licenses and permits	869,535	-	869,535
Sales and service	8,280,868	-	8,280,868
Project	-	2,905,465	2,905,465
Investment earnings	127,439	2,477	129,916
Miscellaneous	1,298,643	21,991	1,320,634
Total revenues	<u>50,520,143</u>	<u>8,769,789</u>	<u>59,289,932</u>
<b>Expenditures:</b>			
Current:			
General government	5,174,420	832,314	6,006,734
Public safety	24,505,186	242,609	24,747,795
Public works	8,854,187	-	8,854,187
Engineering	972,760	-	972,760
Parks and recreation	8,641,533	9,260,139	17,901,672
Public service	880,013	6,566,488	7,446,501
Community revitalization	-	2,212,833	2,212,833
Debt service:			
Principal	3,136,143	72,500	3,208,643
Interest	392,098	39,897	431,995
Total expenditures	<u>52,556,340</u>	<u>19,226,780</u>	<u>71,783,120</u>
Revenues over (under) expenditures	<u>(2,036,197)</u>	<u>(10,456,991)</u>	<u>(12,493,188)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,086,932)	(876,199)	(1,963,131)
Transfers from other funds	4,149,850	1,392,700	5,542,550
Installment purchase financing issued	2,223,000	10,025,000	12,248,000
Total other financing sources (uses)	<u>5,285,918</u>	<u>10,541,501</u>	<u>15,827,419</u>
Net change in fund balances	3,249,721	84,510	3,334,231
<b>Fund balance:</b>			
Beginning of year, July 1	<u>20,819,712</u>	<u>4,537,260</u>	<u>25,356,972</u>
End of year, June 30	<u>\$ 24,069,433</u>	<u>\$ 4,621,770</u>	<u>\$ 28,691,203</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, 2013**

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) \$ 3,334,231

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	12,937,662
Depreciation	(5,637,114)
Basis of disposed/transferred capital assets	(981,241)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund. 896,911

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. 487,423

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	(233,955)
Debt issuance	(12,248,000)
Debt retirement	3,208,643

A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities. 244,622

Changes in net position of governmental activities \$ 2,009,182

*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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Over/Under</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 22,635,000	\$ 22,635,000	\$ 22,776,770	\$ 141,770
Intergovernmental	17,868,550	17,976,734	17,166,888	(809,846)
Licenses and permits	880,100	880,100	869,535	(10,565)
Sales and service	8,365,300	8,452,050	8,280,868	(171,182)
Investment earnings	73,400	73,400	127,439	54,039
Miscellaneous	<u>1,200,650</u>	<u>1,329,521</u>	<u>1,298,643</u>	<u>(30,878)</u>
Total revenues	<u>51,023,000</u>	<u>51,346,805</u>	<u>50,520,143</u>	<u>(826,662)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Mayor and council	436,810	320,595	162,655	157,940
City clerk	184,330	184,330	146,008	38,322
Community services	440,270	440,270	439,129	1,141
City manager	519,030	506,910	462,383	44,527
Public affairs	105,330	135,550	124,952	10,598
Downtown development	135,990	136,805	102,905	33,900
Finance	405,310	292,468	76,498	215,970
Central services	699,610	839,482	572,370	267,112
Planning and development	2,282,600	2,232,143	2,009,016	223,127
Human resources	851,590	876,590	784,698	91,892
Human relations	299,760	299,760	293,806	5,954
Total general government	<u>6,360,630</u>	<u>6,264,903</u>	<u>5,174,420</u>	<u>1,090,483</u>
<b>Public Safety:</b>				
Police	14,884,450	14,881,965	14,501,102	380,863
Fire	10,871,740	10,922,600	10,004,084	918,516
Total public safety	<u>25,756,190</u>	<u>25,804,565</u>	<u>24,505,186</u>	<u>1,299,379</u>
<b>Public Works:</b>				
Administration	213,150	213,150	200,527	12,623
Street and ROW maintenance	2,152,320	1,931,331	1,614,281	317,050
Housing code enforcement	860,830	882,527	844,915	37,612
Environmental service	7,230,670	7,497,097	6,115,605	1,381,492
Fleet maintenance	(5,250)	207,683	78,859	128,824
Total public works	<u>10,451,720</u>	<u>10,731,788</u>	<u>8,854,187</u>	<u>1,877,601</u>
<b>Engineering:</b>				
Administration	527,270	545,753	511,476	34,277
Traffic	491,170	493,214	461,284	31,930
Total engineering	<u>1,018,440</u>	<u>1,038,967</u>	<u>972,760</u>	<u>66,207</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>Over/Under</u>
	<u>Original</u>	<u>Final</u>		
<b>Parks and Recreation:</b>				
Administration	483,700	603,200	601,826	1,374
Athletics	534,110	542,210	538,128	4,082
Cultural arts	723,090	976,107	871,696	104,411
Amusements and special events	285,900	297,220	253,719	43,501
Museum	487,700	486,310	482,480	3,830
Parks maintenance	1,933,720	1,961,175	1,953,067	8,108
Cemetery operations	428,640	444,870	443,257	1,613
Outdoor programs	190,180	162,470	154,137	8,333
Neighborhood programs	857,730	887,410	883,420	3,990
Senior programs	430,750	452,035	433,706	18,329
Sports complex	585,230	598,122	578,459	19,663
Imperial Centre	1,560,770	1,475,397	1,447,638	27,759
Total parks and recreation	<u>8,501,520</u>	<u>8,886,526</u>	<u>8,641,533</u>	<u>244,993</u>
Public service	<u>1,836,000</u>	<u>2,885,444</u>	<u>880,013</u>	<u>2,005,431</u>
<b>Debt service:</b>				
Principal	3,106,400	3,140,410	3,136,143	4,267
Interest	392,100	392,100	392,098	2
Total debt service	<u>3,498,500</u>	<u>3,532,510</u>	<u>3,528,241</u>	<u>4,269</u>
Total expenditures	<u>57,423,000</u>	<u>59,144,703</u>	<u>52,556,340</u>	<u>6,588,363</u>
Revenues over (under) expenditures	<u>(6,400,000)</u>	<u>(7,797,898)</u>	<u>(2,036,197)</u>	<u>5,761,701</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(415,000)	(1,105,042)	(1,086,932)	18,110
Transfers from other funds	4,120,000	4,120,000	4,149,850	29,850
Installment purchase financing used	1,720,000	1,840,000	2,223,000	383,000
Total other financing sources (uses)	<u>5,425,000</u>	<u>4,854,958</u>	<u>5,285,918</u>	<u>430,960</u>
Fund balance appropriated	<u>975,000</u>	<u>2,942,940</u>	<u>-</u>	<u>(2,942,940)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,249,721	<u>\$ 3,249,721</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>20,819,712</u>	
End of year, June 30			<u>\$ 24,069,433</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, 2013**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 10,816,359	\$ 10,205,271	\$ 6,071,414	\$ 5,616,568
Restricted cash and investments	5,306,816	1,222,151	1,326,690	120,147
Receivables - net:				
Assessments	-	-	85,417	149,929
Customers	9,635,135	854,700	900,810	1,288,884
Notes receivable	-	-	12,879	6,187
Other	159,898	18,445	12,963	340,338
Inventories	1,945,719	86,800	98,563	5,252
Total current assets	<u>27,863,927</u>	<u>12,387,367</u>	<u>8,508,736</u>	<u>7,527,305</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	3,035,842	8,727	2,685,110	1,680,023
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>35,407,757</u>	<u>15,604,592</u>	<u>28,286,363</u>	<u>57,368,651</u>
Total capital assets (net of accumulated depreciation)	<u>38,443,599</u>	<u>15,613,319</u>	<u>30,971,473</u>	<u>59,048,674</u>
Total noncurrent assets:	<u>38,443,599</u>	<u>15,613,319</u>	<u>30,971,473</u>	<u>59,048,674</u>
Total assets	<u>66,307,526</u>	<u>28,000,686</u>	<u>39,480,209</u>	<u>66,575,979</u>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable and accrued expenditures	7,469,731	607,837	248,362	109,695
Current accrued compensated absences	212,339	42,060	121,742	88,520
Current maturities of long-term debt	<u>1,851,146</u>	<u>275,318</u>	<u>983,377</u>	<u>1,361,259</u>
Total current liabilities	<u>9,533,216</u>	<u>925,215</u>	<u>1,353,481</u>	<u>1,559,474</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	2,829,649	1,176,906	738,809	9,971
Accrued compensated absences	93,866	34,089	25,461	27,472
Noncurrent portion of long-term debt	<u>4,825,559</u>	<u>911,451</u>	<u>2,012,091</u>	<u>9,972,541</u>
Total noncurrent liabilities	<u>7,749,074</u>	<u>2,122,446</u>	<u>2,776,361</u>	<u>10,009,984</u>
Total liabilities	<u>17,282,290</u>	<u>3,047,661</u>	<u>4,129,842</u>	<u>11,569,458</u>
<b>Net Position:</b>				
Net investment in capital assets	34,573,325	14,582,654	28,855,139	47,962,185
Unrestricted	<u>14,451,911</u>	<u>10,370,371</u>	<u>6,495,228</u>	<u>7,044,336</u>
Total net position	<u>\$ 49,025,236</u>	<u>\$ 24,953,025</u>	<u>\$ 35,350,367</u>	<u>\$ 55,006,521</u>

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

**Exhibit G**

<u>Other Nonmajor Fund Storm Water Management</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities Internal Service Fund Risk Management</u>
\$ 1,843,992	\$ 34,553,604	\$ -
453,192	8,428,996	792,257
-	235,346	-
469,921	13,149,450	-
-	19,066	-
-	531,644	10,606
-	2,136,334	-
<u>2,767,105</u>	<u>59,054,440</u>	<u>802,863</u>
683,080	8,092,782	-
<u>3,396,308</u>	<u>140,063,671</u>	<u>-</u>
<u>4,079,388</u>	<u>148,156,453</u>	<u>-</u>
<u>4,079,388</u>	<u>148,156,453</u>	<u>-</u>
<u>6,846,493</u>	<u>207,210,893</u>	<u>802,863</u>
214,626	8,650,251	115,532
60,835	525,496	-
448,948	4,920,048	-
<u>724,409</u>	<u>14,095,795</u>	<u>115,532</u>
37,950	4,793,285	-
22,127	203,015	-
<u>1,054,509</u>	<u>18,776,151</u>	<u>-</u>
<u>1,114,586</u>	<u>23,772,451</u>	<u>-</u>
<u>1,838,995</u>	<u>37,868,246</u>	<u>115,532</u>
3,138,725	129,112,028	-
<u>1,868,773</u>	<u>40,230,619</u>	<u>687,331</u>
<u>\$ 5,007,498</u>	<u>\$ 169,342,647</u>	<u>\$ 687,331</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, 2013**

	<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	\$ 89,526,567	\$ 23,257,570	\$ 10,181,457	\$ 11,538,328
Licenses and permits	-	-	39,882	31,417
Other operating revenues	<u>1,972,910</u>	<u>57,503</u>	<u>127,890</u>	<u>202,755</u>
Total operating revenues	<u>91,499,477</u>	<u>23,315,073</u>	<u>10,349,229</u>	<u>11,772,500</u>
<b>Operating Expenses:</b>				
Distribution systems	83,220,638	18,221,731	-	-
Treatment plants	-	-	4,676,366	6,356,846
Engineering	1,200,998	-	-	-
Support services	727,764	-	2,483,740	2,628,377
Energy services	1,535,376	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation	<u>1,930,588</u>	<u>814,838</u>	<u>1,518,290</u>	<u>1,912,890</u>
Total operating expenses	<u>88,615,364</u>	<u>19,036,569</u>	<u>8,678,396</u>	<u>10,898,113</u>
Operating income (loss)	<u>2,884,113</u>	<u>4,278,504</u>	<u>1,670,833</u>	<u>874,387</u>
<b>Nonoperating Revenues (Expenses):</b>				
Other	91,623	-	-	-
Investment earnings	473,962	131,007	78,893	133,651
Interest expense	(75,178)	(17,028)	(93,890)	(259,384)
Appropriation to school system	<u>(209,110)</u>	<u>(364,716)</u>	<u>(55,600)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>281,297</u>	<u>(250,737)</u>	<u>(70,597)</u>	<u>(125,733)</u>
Income (loss) before capital contributions and transfers	<u>3,165,410</u>	<u>4,027,767</u>	<u>1,600,236</u>	<u>748,654</u>
Capital contributions	8,094	-	-	29,588
Transfers from other funds	95,581	-	-	-
Transfers to other funds	<u>(1,500,000)</u>	<u>(1,400,000)</u>	<u>(700,000)</u>	<u>(150,000)</u>
Total capital contributions and transfers	<u>(1,396,325)</u>	<u>(1,400,000)</u>	<u>(700,000)</u>	<u>(120,412)</u>
Change in net position	1,769,085	2,627,767	900,236	628,242
<b>Net Position:</b>				
Beginning of year - July 1	<u>47,256,151</u>	<u>22,325,258</u>	<u>34,450,131</u>	<u>54,378,279</u>
End of year - June 30	<u>\$ 49,025,236</u>	<u>\$ 24,953,025</u>	<u>\$ 35,350,367</u>	<u>\$ 55,006,521</u>

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

**Exhibit H**

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities Internal Service Fund Risk Management</u>
\$ 3,388,414	\$ 137,892,336	\$ 6,536,303
-	71,299	-
<u>29,778</u>	<u>2,390,836</u>	<u>-</u>
<u>3,418,192</u>	<u>140,354,471</u>	<u>6,536,303</u>
-	101,442,369	-
-	11,033,212	-
-	1,200,998	-
714,393	6,554,274	-
-	1,535,376	-
2,236,911	2,236,911	-
-	-	4,825,169
-	-	1,466,512
<u>263,868</u>	<u>6,440,474</u>	<u>-</u>
<u>3,215,172</u>	<u>130,443,614</u>	<u>6,291,681</u>
<u>203,020</u>	<u>9,910,857</u>	<u>244,622</u>
-	91,623	-
47,606	865,119	-
(28,715)	(474,195)	-
-	(629,426)	-
<u>18,891</u>	<u>(146,879)</u>	<u>-</u>
<u>221,911</u>	<u>9,763,978</u>	<u>244,622</u>
33,245	70,927	-
75,000	170,581	-
-	(3,750,000)	-
<u>108,245</u>	<u>(3,508,492)</u>	<u>-</u>
330,156	6,255,486	244,622
<u>4,677,342</u>	<u>163,087,161</u>	<u>442,709</u>
<u>\$ 5,007,498</u>	<u>\$ 169,342,647</u>	<u>\$ 687,331</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 92,664,608	\$ 23,244,705	\$ 10,522,028	\$ 13,208,232
Payments to suppliers for goods and services	(81,372,231)	(16,659,982)	(4,020,601)	(6,869,293)
Payments to or on behalf of employees	(5,009,598)	(1,476,196)	(3,059,251)	(2,266,117)
Net cash provided (used) by operating activities	<u>6,282,779</u>	<u>5,108,527</u>	<u>3,442,176</u>	<u>4,072,822</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers to other funds	(1,500,000)	(1,400,000)	(700,000)	(150,000)
Transfers from other funds	95,581	-	-	-
Payments from (to) other funds	-	167,995	(167,995)	-
Appropriation to school system	(209,110)	(364,716)	(55,600)	-
Net cash provided (used) by noncapital financing activities	<u>(1,613,529)</u>	<u>(1,596,721)</u>	<u>(923,595)</u>	<u>(150,000)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Debt issued	4,854,180	-	229,150	2,448,639
Acquisition and construction of capital assets	(2,762,953)	(1,697,157)	(2,173,097)	(3,537,160)
Interest paid	(75,178)	(17,028)	(93,890)	(259,384)
Insurance recovery	91,623	-	-	-
Proceeds from grants and subsidies	8,094	-	-	29,588
Principal payments on long-term debt	(1,215,275)	(293,900)	(925,568)	(1,121,585)
Net cash provided (used) by capital and related financing activities	<u>900,491</u>	<u>(2,008,085)</u>	<u>(2,963,405)</u>	<u>(2,439,902)</u>
<b>Cash Flows From Investing Activities:</b>				
Investment earnings	<u>473,962</u>	<u>131,007</u>	<u>78,893</u>	<u>133,651</u>
Net cash provided (used) by investing activities	<u>473,962</u>	<u>131,007</u>	<u>78,893</u>	<u>133,651</u>
Net increase (decrease) in cash and cash equivalents/investments	6,043,703	1,634,728	(365,931)	1,616,571
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year, July 1	<u>10,079,472</u>	<u>9,792,694</u>	<u>7,764,035</u>	<u>4,120,144</u>
End of year, June 30	<u>\$ 16,123,175</u>	<u>\$ 11,427,422</u>	<u>\$ 7,398,104</u>	<u>\$ 5,736,715</u>
Cash and cash equivalents/investments	\$ 10,816,359	\$ 10,205,271	\$ 6,071,414	\$ 5,616,568
Restricted cash and investments	<u>5,306,816</u>	<u>1,222,151</u>	<u>1,326,690</u>	<u>120,147</u>
Total	<u>\$ 16,123,175</u>	<u>\$ 11,427,422</u>	<u>\$ 7,398,104</u>	<u>\$ 5,736,715</u>

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

**Exhibit I**  
**Page 1 of 2**

<b>Other Nonmajor Fund</b>	<b>Governmental Activities</b>	
<b>Storm Water Management</b>	<b>Internal Service Fund</b>	<b>Risk Management</b>
<b>Total</b>		
\$ 3,400,316	\$ 143,039,889	\$ 6,620,301
(924,658)	(109,846,765)	(6,176,149)
(2,026,809)	(13,837,971)	-
448,849	19,355,153	444,152
-	(3,750,000)	-
75,000	170,581	-
-	-	-
-	(629,426)	-
75,000	(4,208,845)	-
364,000	7,895,969	-
(1,280,642)	(11,451,009)	-
(28,715)	(474,195)	-
-	91,623	-
33,245	70,927	-
(395,655)	(3,951,983)	-
(1,307,767)	(7,818,668)	-
47,606	865,119	-
47,606	865,119	-
(736,312)	8,192,759	444,152
3,033,496	34,789,841	348,105
\$ 2,297,184	\$ 42,982,600	\$ 792,257
\$ 1,843,992	\$ 34,553,604	\$ -
453,192	8,428,996	792,257
\$ 2,297,184	\$ 42,982,600	\$ 792,257

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ 2,884,113	\$ 4,278,504	\$ 1,670,833	\$ 874,387
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	1,930,588	814,838	1,518,290	1,912,890
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in receivables and assessments	1,150,336	(92,915)	251,387	1,436,026
(Increase) decrease in inventories	195,196	29,309	(45,297)	(3,028)
Increase (decrease) in accounts payable and accrued expenses	102,793	41,928	116,176	(161,252)
Increase (decrease) in liabilities to be paid from restricted assets	14,795	22,547	(78,588)	(294)
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>4,958</u>	<u>14,316</u>	<u>9,375</u>	<u>14,093</u>
Net cash provided (used) by operating activities	<u>\$ 6,282,779</u>	<u>\$ 5,108,527</u>	<u>\$ 3,442,176</u>	<u>\$ 4,072,822</u>

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

**Exhibit I**  
**Page 2 of 2**

<b>Other Nonmajor Fund</b>		<b>Governmental Activities</b>
<b>Storm Water Management</b>	<b>Total</b>	<b>Internal Service Fund</b>
		<b>Risk Management</b>
\$ 203,020	\$ 9,910,857	\$ 244,622
263,868	6,440,474	-
(27,446)	2,717,388	83,998
-	176,180	-
(10,092)	89,553	115,532
9,570	(31,970)	-
9,929	52,671	-
\$ 448,849	\$ 19,355,153	\$ 444,152

*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, 2013**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 420,998
Total assets	<u>\$ 420,998</u>
<b>Liabilities:</b>	
Accounts payable	\$ 6,929
Due to other agencies	<u>414,069</u>
Total liabilities	<u>\$ 420,998</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, 2013

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Rocky Mount (the "City") and its discretely presented component unit conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards 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. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 56,650 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.

#### **City of Rocky Mount Theatre, LLC**

The City of Rocky Mount Theatre, LLC, which has a December 31 year-end, is presented as a component unit. The members of the Theatre's advisory council are appointed by the City. The City has the ability to impose its will on the Theatre, and the City has a financial burden to finance the deficits and to provide financial support to the Theatre. Questions concerning the financial statements of the City of Rocky Mount Theatre, LLC or requests for additional information should be directed to the City Manager's Office, City of Rocky Mount, P.O. Box 1180, Rocky Mount, NC 27802.

#### **Basis of Presentation**

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 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.

Additionally, the City reports the following fund types:

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**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.

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.

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Nash and Edgecombe Counties are responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and 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. 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.

### **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.

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2013. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

### **Encumbrances**

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

### **Statement of Cash Flows**

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

### **Cash and Cash Equivalents**

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

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

### **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.

#### **Ad Valorem Taxes Receivable**

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

#### **Allowances for Doubtful Accounts**

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

#### **Due To/From Other Funds**

Amounts reported at June 30, 2013, 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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 indicate 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.

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 does not have any items that meet the criteria for deferred outflows of resources. 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 and unspent cable franchise agreement funds.

### **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.

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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

### **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.

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 intact.

*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 unexpended grant proceeds and certain emergency telephone system expenditures.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

*Restricted for Community Revitalization* – portion of fund balance restricted for unexpended grant proceeds.

### **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 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.

*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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The City does not have a formal fund balance policy. A formal policy is being discussed and recommended for adoption by the governing body. The City has an informal policy of setting available fund balance levels by fund and at a level no lower than 8% of expenditures. 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 the General Fund's fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 24,069,433
Less:	
Inventories	404,514
Stabilization by State Statute	<u>5,634,193</u>
Total available fund balance	<u>\$ 18,030,726</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.

## 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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City and the Theatre have 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, 2013, the City's deposits had a carrying amount of \$14,651,916 and a bank balance of approximately \$15,379,726. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$14,129,726 in interest-bearing deposits was covered by collateral held under the Pooling Method. The City of Rocky Mount Theatre, LLC maintained cash on hand of \$100.

### 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, 2013, the City had \$53,884,722 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust Cash Portfolio	\$ 10,839,379	\$ 10,839,379	N/A
North Carolina Capital Management Trust Term Portfolio	43,045,343	43,045,343	N/A
Total	\$ 53,884,722	\$ 53,884,722	

Total cash and investments of \$68,548,263 reported by the City include cash on hand of \$11,625 and \$420,998 held by the City in the agency fund, Community Development and Governmental Activities Fund.

At June 30, 2013, the City had \$15,610,295 in restricted cash and investments. Of this amount, there was \$6,627,152 in escrow accounts and the escrow funds are to be used to purchase equipment and construction improvements under installment purchase agreements. The City has a total of \$5,184,056 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 \$3,006,830 that is restricted cash according to State law. The City had \$792,257 restricted for use in the Internal Service Fund.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

*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.

### 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, 2013 are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2013</u>
<b>Governmental Activities:</b>	
Ad valorem taxes	\$ 1,550,872
Planning loans	5,183,908
Miscellaneous	501,075
Customers	99,878
Total governmental activities	<u>7,335,733</u>
<b>Business-Type Activities:</b>	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	108,950
Total business-type activities	<u>2,254,118</u>
Total allowances for doubtful accounts	<u>\$ 9,589,851</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Accounts Receivable

At June 30, 2013, funds due from other governmental agencies consisted of the following:

	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Sales tax refund	\$ 719,157	\$ -	\$ 719,157
Vehicle fee	205,529	-	205,529
Local option tax	1,519,578	-	1,519,578
Grants receivable	120,909	880,928	1,001,837
Franchise tax	156,498	-	156,498
Miscellaneous receivable	8,425	98,229	106,654
<b>Total</b>	<b>\$ 2,730,096</b>	<b>\$ 979,157</b>	<b>\$ 3,709,253</b>

## 4. Capital Assets

### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2013, was as follows:

	<b>July 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>June 30, 2013</b>
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	8,644,067	69,875	235,123	40,026	8,518,845
Construction in progress	4,318,990	2,675	-	(4,139,760)	181,905
Total capital assets not being depreciated	12,963,057	72,550	235,123	(4,099,734)	8,700,750
<b>Capital Assets Being Depreciated</b>					
Land improvements	20,571,375	78,139	7,044	-	20,642,470
Buildings	53,085,387	9,033,862	917,337	(40,026)	61,161,886
Equipment	40,762,963	1,873,760	1,565,399	285,067	41,356,390
Infrastructure	47,332,385	1,874,456	-	4,139,760	53,346,601
Total capital assets being depreciated	161,752,111	12,860,217	2,489,780	4,384,801	176,507,348
<b>Less Accumulated Depreciation for:</b>					
Land improvements	6,379,827	789,506	7,044	-	7,162,289
Buildings	19,296,030	1,098,648	187,058	-	20,207,620
Equipment	28,985,916	3,080,191	1,549,561	280,172	30,796,718
Infrastructure	12,756,401	668,769	-	-	13,425,170
Total accumulated depreciation	67,418,173	5,637,114	1,743,663	280,172	71,591,797
Total capital assets being depreciated, net	94,333,937				104,915,551
Governmental activities capital assets, net	107,296,994				113,616,301

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

General government	\$	988,530
Public works		1,583,380
Public safety		1,082,318
Transit		492,621
Planning		32,170
Recreation		1,203,931
Airport		254,165
<b>Total</b>	<b>\$</b>	<b><u>5,637,114</u></b>

Capital asset activity for the business-type activities for the year ended June 30, 2013, was as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2013</u>
<b>Electric Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	332,382	-	-	-	332,382
Construction in progress	2,098,853	1,294,447	-	(689,841)	2,703,460
Total capital assets not being depreciated	<u>2,431,236</u>	<u>1,294,447</u>	<u>-</u>	<u>(689,841)</u>	<u>3,035,842</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	438,908	48,497	-	-	487,405
Buildings	6,370,834	147,767	-	-	6,518,601
Equipment	29,919,761	182,459	999,477	(11,697)	29,091,045
Infrastructure	30,002,830	1,133,404	43,344	689,841	31,782,731
Total capital assets being depreciated	<u>66,732,333</u>	<u>1,512,127</u>	<u>1,042,821</u>	<u>678,143</u>	<u>67,879,782</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	238,358	17,204	-	-	255,562
Buildings	3,481,604	148,703	-	-	3,630,306
Equipment	20,720,245	1,218,903	985,849	(9,023)	20,944,277
Infrastructure	7,112,129	545,779	16,027	-	7,641,880
Total accumulated depreciation	<u>31,552,335</u>	<u>1,930,588</u>	<u>1,001,875</u>	<u>(9,023)</u>	<u>32,472,025</u>
Total capital assets being depreciated, net	<u>35,179,998</u>	<u>(418,461)</u>	<u>40,946</u>	<u>687,166</u>	<u>35,407,757</u>
Electric Fund capital assets, net	<u>37,611,234</u>	<u>875,986</u>	<u>40,946</u>	<u>(2,675)</u>	<u>38,443,599</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	July 1, 2012	Additions	Retirements	Transfers	June 30, 2013
<b>Gas Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	8,727	-	-	-	8,727
Construction in progress	479,478	-	-	(479,478)	-
Total capital assets not being depreciated	488,205	-	-	(479,478)	8,727
<b>Capital Assets Being Depreciated</b>					
Land improvements	11,425	-	-	-	11,425
Buildings	328,550	-	-	-	328,550
Equipment	9,112,739	150,523	105,632	(17,354)	9,140,277
Infrastructure	10,733,427	1,575,051	-	479,478	12,787,956
Total capital assets being depreciated	20,186,141	1,725,574	105,632	462,124	22,268,208
<b>Less Accumulated Depreciation for:</b>					
Land improvements	1,409	457	-	-	1,866
Buildings	117,696	6,243	-	-	123,939
Equipment	4,540,913	663,786	77,215	(17,354)	5,110,130
Infrastructure	1,283,329	144,352	-	-	1,427,681
Total accumulated depreciation	5,943,346	814,838	77,215	(17,354)	6,663,616
Total capital assets being depreciated, net	14,242,795	910,736	28,417	479,478	15,604,592
Gas Fund capital assets, net	14,731,000	910,736	28,417	-	15,613,319
	July 1, 2012	Additions	Retirements	Transfers	June 30, 2013
<b>Water Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	1,023,187	150,000	-	-	1,173,187
Construction in progress	447,420	1,253,758	-	(189,256)	1,511,923
Total capital assets not being depreciated	1,470,608	1,403,758	-	(189,256)	2,685,110
<b>Capital Assets Being Depreciated</b>					
Land improvements	9,106,395	-	-	-	9,106,395
Buildings	12,378,194	-	-	(108,234)	12,269,960
Equipment	7,509,064	739,737	291,475	(60,131)	7,897,195
Infrastructure	27,520,207	206,031	12,663	137,968	27,851,543
Total capital assets being depreciated	56,513,861	945,768	304,138	(30,397)	57,125,093
<b>Less Accumulated Depreciation for:</b>					
Land improvements	7,677,844	438,168	-	-	8,116,012
Buildings	5,812,232	247,700	-	(4,510)	6,055,422
Equipment	5,449,730	460,292	247,278	(87,588)	5,575,156
Infrastructure	8,727,997	372,129	7,987	-	9,092,139
Total accumulated depreciation	27,667,802	1,518,290	255,264	(92,098)	28,838,730
Total capital assets being depreciated, net	28,846,059	(572,522)	48,874	61,700	28,286,363
Water Fund capital assets, net	30,316,667	831,236	48,874	(127,555)	30,971,473

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2013</u>
<b>Sewer Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	782,025	-	-	-	782,025
Construction in progress	2,682,909	-	-	(1,784,911)	897,998
Total capital assets not being depreciated	<u>3,464,934</u>	<u>-</u>	<u>-</u>	<u>(1,784,911)</u>	<u>1,680,023</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	2,167,163				2,167,163
Buildings	43,656,747	7,574	8,702	108,234	43,763,854
Equipment	20,944,904	1,229,213	105,699	1,673,044	23,741,463
Infrastructure	29,977,572	2,172,817	-	126,000	32,276,389
Total capital assets being depreciated	<u>96,746,387</u>	<u>3,409,605</u>	<u>114,401</u>	<u>1,907,278</u>	<u>101,948,869</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,108,194	2,490	-	-	2,110,684
Buildings	16,596,415	771,765	8,702	4,510	17,363,988
Equipment	15,024,647	736,729	105,699	(9,697)	15,645,981
Infrastructure	9,057,659	401,906	-	-	9,459,566
Total accumulated depreciation	<u>42,786,917</u>	<u>1,912,890</u>	<u>114,401</u>	<u>(5,188)</u>	<u>44,580,218</u>
Total capital assets being depreciated, net	<u>53,959,470</u>	<u>1,496,715</u>	<u>-</u>	<u>1,912,466</u>	<u>57,368,651</u>
Sewer Fund capital assets, net	<u>57,424,404</u>	<u>1,496,715</u>	<u>-</u>	<u>127,555</u>	<u>59,048,674</u>
	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2013</u>
<b>Storm Water Management Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	348,512	39,354			387,866
Construction in progress	1,007,645	-		(712,432)	295,213
Total capital assets not being depreciated	<u>1,356,158</u>	<u>39,354</u>	<u>-</u>	<u>(712,432)</u>	<u>683,080</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	17,300	-			17,300
Buildings	65,000	-			65,000
Equipment	2,834,937	569,598	138,158	(158,731)	3,107,646
Infrastructure	815,615	673,910		712,432	2,201,958
Total capital assets being depreciated	<u>3,732,852</u>	<u>1,243,508</u>	<u>138,158</u>	<u>553,701</u>	<u>5,391,904</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	3,576	692			4,268
Buildings	5,308	1,300			6,608
Equipment	1,966,485	249,502	138,158	(156,511)	1,921,318
Infrastructure	51,028	12,374			63,402
Total accumulated depreciation	<u>2,026,397</u>	<u>263,868</u>	<u>138,158</u>	<u>(156,511)</u>	<u>1,995,596</u>
Total capital assets being depreciated, net	<u>1,706,455</u>	<u>979,641</u>	<u>-</u>	<u>710,212</u>	<u>3,396,308</u>
Total Storm Water Management Fund capital assets, net	<u>3,062,613</u>	<u>1,018,995</u>	<u>-</u>	<u>(2,220)</u>	<u>4,079,388</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2012, was as follows:

	December 31, 2011	Increases	Retirements	December 31, 2012
<b>Governmental Activities:</b>				
Capital assets	\$ 8,348,964	\$ -	\$ 210,590	\$ 8,138,374

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2013, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,186,181	\$ 8,234,983	\$ 9,421,164
Claims incurred but not reported	96,630	189,482	286,112
Accrued payroll and related liabilities	1,886,677	225,786	2,112,463
Total accounts payable and accrued liabilities	\$ 3,169,488	\$ 8,650,251	\$ 11,819,739

### 6. Pension Plan Obligations

#### Local Government Employees' Retirement System

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

**Funding Policy.** Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77% respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$2,704,575, \$2,944,862, and \$2,661,035 respectively. These amounts represent 100% of the required contributions for 2013, 2012, and 2011 respectively.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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, 2012, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	160
Total	<u>176</u>

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

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

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

The annual required contribution for the fiscal year ended June 30, 2013, was determined as part of the December 31, 2012, 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 as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2012, was 18 years.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**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	\$	427,283
Interest on net pension obligation		44,503
Adjustment to annual required contribution		<u>(55,389)</u>
Annual pension cost		416,397
Contributions made		<u>288,683</u>
Increase in net pension obligation		127,714
Net pension obligation, beginning of year		<u>890,056</u>
Net pension obligation, end of year	\$	<u><u>1,017,770</u></u>

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 401,884	72.58%	\$ 810,214
6/30/2012	390,261	79.54%	890,056
6/30/2013	416,397	69.33%	1,017,770

**Funded Status and Funding Progress.** As of December 31, 2012, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$4,215,301, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,215,301.

The covered payroll (annual payroll of active employees covered by the plan) was \$7,855,147 and the ratio of the UAAL to the covered payroll was 53.66 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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### **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 Council 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 \$7,774,000 for employees engaged in law enforcement and \$32,766,067 for all other full-time employees. Total contributions for the year ended June 30, 2013, were \$1,371,682, which consisted of \$388,700 for employees engaged in law enforcement and \$982,982 for all other employees. Voluntary contributions made by all City employees totaled \$717,067.

### **Fireman's and Rescue Squad Workers' Pension Fund**

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

**Funding Policy.** Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$19,557 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2013.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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 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, 2012, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	208
Active members	884
Total	<u>1,092</u>

**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 \$384.14 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 \$384.14 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 6.1% of annual covered payroll. For fiscal year 2013, the City contributed \$2,186,032, or 5.4% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2013, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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.

### 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	\$	2,483,862
Interest on net OPEB obligation		157,477
Adjustment to annual required contribution		<u>(150,440)</u>
Annual OPEB cost (expense)		2,490,899
Contributions made		<u>2,186,032</u>
Increase (decrease) in net OPEB obligation		304,867
Net OPEB obligation, beginning of year		<u>3,936,932</u>
Net OPEB obligation, end of year	\$	<u>4,241,799</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<b>Three-Year Trend Information</b>			
<b>For Year Ended June 30</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2011	\$ 2,422,912	76.60%	\$ 4,138,084
2012	2,103,915	109.60%	3,936,932
2013	2,490,899	87.76%	4,241,799

As of December 31, 2012, 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 \$35,088,581. The covered payroll (annual payroll of active employees covered by the plan) was \$40,225,360, and the ratio of the UAAL to the covered payroll was 87.2%. 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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

### **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, 2012, 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) an 8.50% - 5.00% medical cost trend rate with 2018, 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, 2012, 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, 2013, 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 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, 2013

### 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 \$1,318,682 to the plan for the year ended June 30, 2013.

### 7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$875,000 for the year ended June 30, 2013. The City has purchased the property under this lease agreement and there are no future lease payments.

### 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:

	<u>Fund-Level</u>	<u>Government- Wide</u>
Taxes receivable (General Fund)	\$ 2,114,890	\$ -
Accounts receivable (General Fund)	2,241,894	-
Assessments (General Fund)	2,957,471	-
Accounts receivable (other governmental funds)	10,956	-
Prepaid taxes (General Fund)	33,368	33,368
Unspent cable franchise agreement (General Fund)	71,645	71,645
Total	<u>\$ 7,430,224</u>	<u>\$ 105,013</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 9. Commitments

#### Construction

The City had outstanding commitments at June 30, 2013, of approximately \$2,130,153 for the Ford's Colony Section 4 project, \$697,313 for the rehabilitation of water tanks on Airport Road and at Nash Community College, \$414,490 for the construction of the point of delivery station and substation 8 on Greyson Road, \$93,420 for the Downtown Streetscape construction project, \$38,100 for the Tar River watershed protection and restoration project, \$20,143 for the VSA oxygen system, \$10,490 for the widening of Country Club road and \$4,700 for the Maple Creek tributary. A portion of these improvements are being financed with installment notes and a revolving loan.

#### Purchases

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

### 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through a combination of purchases of commercial insurance for primary and/or excess coverage and self-insured retention.

The City is self-insured for workers' compensation benefits, employers' liability, general liability, public officials/errors and omissions liability, law enforcement liability, direct damage, sexual misconduct and City vehicle damage. The Workers' Compensation Plan is administered by the City's Human Resources Department with assistance from a risk management consultant. 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:

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

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 \$286,112 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$150,000.

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

Changes in the reported liability for possible claims and judgments during fiscal years 2013 and 2012 are summarized as follows:

Possible Claims and Judgments	2013	2012
Balance, beginning	\$ 602,982	\$ 317,878
Current year claims and changes in estimates	506,991	1,002,554
Claim payments	(823,861)	(717,450)
Balance, ending	\$ 286,112	\$ 602,982

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2013 consist of the following:

**Long-Term Debt:**

	<u>Serviced By</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b>Installment Purchases:</b>		
Building; due in monthly installments of \$85,989; maturing June 2019; interest at 4.16% (LGC)	\$ 5,469,836	\$ -
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21% (LGC)	90,572	1,504,456
Improvements; due in monthly installments of \$73,394; maturing April 2018; interest at .989% (LGC)	319,622	3,835,465
Improvements; due in monthly installments of \$25,305 plus interest; maturing April 2016; interest at 2.04% (LGC)	421,254	439,118
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55% (LGC)	9,700,000	-
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	262,911	467,797
Improvements; due in monthly installments of \$35,057; maturing April 2017; interest at 1.353% (LGC)	-	1,570,672
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	4,258,561
Improvements; due in monthly installments of \$54,220 plus interest; maturing April 2014; interest at 2.94% (LGC)	296,719	245,483
Equipment; due in monthly installments of \$104,026; maturing April 2014; interest at 1.53%	441,948	591,051
Equipment; due in monthly installments of \$71,673; maturing May 2015; interest at 1.099%	806,569	823,923
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	647,960	-
Equipment; due in monthly installments of \$109,202; maturing April 2016; interest at .845%	<u>2,100,973</u>	<u>1,566,514</u>
Total installment purchases	<u>\$ 20,558,364</u>	<u>\$ 15,303,040</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

<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	\$ 2,365,000	\$ -
YMCA - Building purchase agreement	400,000	-
Other - NCDOT	785,052	-
Other - NCDENR (LGC)	-	7,377,096
Subtotal	3,550,052	7,377,096
Unfunded Special Separation Allowance	1,017,770	-
Other post-employment benefits	3,225,737	1,016,062
Total other long-term debt	7,793,559	8,393,158
Total outstanding	28,351,923	23,696,199
Less current portion	4,385,183	4,920,048
	\$ 23,966,740	\$ 18,776,151

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)	\$ 357,317
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,808,252
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0% (LGC)	2,249,818
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02% (LGC)	1,751,025
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	210,684
	\$ 7,377,096

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The unfunded special separation allowance and other post-employment benefits are typically liquidated by the General Fund.

### Changes in Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2013:

	<b>Balance July 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2013</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Installment purchases	\$ 11,274,007	\$ 12,248,000	\$ 2,963,643	\$ 20,558,364	\$ 3,741,832
Unfunded Special Separation Allowance	890,056	416,397	288,683	1,017,770	-
HUD Loan	2,510,000	-	145,000	2,365,000	145,000
YMCA	500,000	-	100,000	400,000	100,000
Other - NCDOT	834,046	301,254	350,248	785,052	398,351
Other post-employment benefits	2,991,782	233,955	-	3,225,737	-
Compensated absences	3,558,239	1,796,422	1,974,195	3,380,466	1,974,195
<b>Total</b>	<b><u>\$ 22,558,130</u></b>	<b><u>\$ 14,996,028</u></b>	<b><u>\$ 5,821,769</u></b>	<b><u>\$ 31,732,389</u></b>	<b><u>\$ 6,359,378</u></b>
<b>Business-Type Activities:</b>					
Installment purchases	\$ 13,468,136	\$ 5,557,500	\$ 3,722,597	\$ 15,303,040	\$ 4,490,620
Other - NCDENR	5,268,013	2,338,469	229,386	7,377,096	429,428
Other post-employment benefits	945,150	70,912	-	1,016,062	-
Compensated absences	746,753	507,254	525,496	728,511	525,496
<b>Total</b>	<b><u>\$ 20,428,052</u></b>	<b><u>\$ 8,474,135</u></b>	<b><u>\$ 4,477,478</u></b>	<b><u>\$ 24,424,710</u></b>	<b><u>\$ 5,445,544</u></b>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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, 2013, including interest, are as follows:

	<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Governmental Activities:</b>				
2014	\$ 3,741,832	\$ 532,487	\$ 643,351	\$ 78,199
2015	3,019,392	452,586	525,129	75,922
2016	2,482,908	381,262	351,572	73,022
2017	1,778,641	316,816	245,000	69,499
2018	1,811,961	254,122	145,000	65,460
2019-2023	4,490,297	659,186	725,000	256,321
2024-2028	3,233,333	209,560	725,000	117,204
2029	-	-	190,000	4,133
Total governmental activities	<u>20,558,364</u>	<u>2,806,019</u>	<u>3,550,052</u>	<u>739,760</u>
<b>Business-Type Activities:</b>				
2014	4,490,620	343,101	429,428	113,482
2015	3,691,521	254,683	429,428	100,907
2016	2,456,765	188,815	429,428	94,184
2017	1,835,000	140,835	429,428	87,461
2018	1,389,098	97,835	429,428	80,738
2019-2023	1,440,036	86,249	2,147,145	302,844
2024-2028	-	-	2,057,815	136,741
2029-2033	-	-	1,024,996	26,265
Total business-type activities	<u>15,303,040</u>	<u>1,111,518</u>	<u>7,377,096</u>	<u>942,622</u>
<b>Total</b>	<u>\$ 35,861,404</u>	<u>\$ 3,917,537</u>	<u>\$ 10,927,148</u>	<u>\$ 1,682,382</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, 2013, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$312,223,830.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rollin Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, 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, 2013 are as follows:

#### Due To/From Other Funds

<u>Payable Fund</u>	<u>Receivable Fund</u>
	<u>General Fund</u>
Entitlement grants	\$ 196,942
Economic development	197,082
Total	<u>\$ 394,024</u>

The amounts due to the General Fund from the nonmajor governmental funds represent \$394,024 in cash advances to cover expenses in the Special Revenue funds.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Transfers To/From Other Funds

Transfer Out	Transfer In			Total
	General Fund	Nonmajor		
	Governmental	Enterprise		
General Fund	\$ -	\$ 1,011,932	\$ 75,000	\$ 1,086,932
Nonmajor Governmental Funds	549,850	230,768	95,581	876,199
Electric Fund	1,500,000	-	-	1,500,000
Gas Fund	1,400,000	-	-	1,400,000
Water Fund	700,000	-	-	700,000
Sewer Fund	-	150,000	-	150,000
Total	\$ 4,149,850	\$ 1,392,700	\$ 170,581	\$ 5,713,131

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 transfers between nonmajor governmental funds were to match grant funds for the Downtown Streetscape, Douglas Block, Soccer portion of the Sports Complex, and Fire sprinkler projects.

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 between the nonmajor governmental fund to Electric was a return of excess contribution for the 301 street lighting project from the prior year. The transfer from Sewer to the nonmajor governmental fund represents the utility's additional cost share of the Downtown Streetscape 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 \$613,280 to the library's operating purposes during the year ended June 30, 2013.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### **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, 2012, \$2,159,770,000 of the bonds were outstanding (plus unamortized premium of \$89,952,000). 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.

### **14. Joint Ventures**

#### **Rocky Mount-Wilson Airport Authority**

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven-member 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 \$93,820 to the Authority for operating purposes and capital outlay during the year ended June 30, 2013. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,390,841 (cost of \$13,264,122 less accumulated depreciation of \$5,873,281 has been reflected in the City's Statement

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

of Net Position as capital assets at June 30, 2013. The current year decrease in the investment of \$254,165 is included in general governmental expense in the Statement of Activities net of the City's contributions to the Authority during the year ended June 30, 2013. 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, 2013, this payment totaled \$34,519.

### **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 \$11,372,842 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General Fund.

The Electric Fund charges all City departments a telephone fee based on usage to reimburse the Electric Fund for services, maintenance and debt associated with the telephone system. Telephone fees totaling \$593,940 are recorded as operating expense in each City department and as a reduction of operating expenses in the Electric Fund.

### **17. Stewardship, Compliance and Accountability**

#### **Federal and State Funds**

The City participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2013, 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, 2013

### 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. 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. As of June 30, 2013 the City has paid \$997,857 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 \$629,427 for the year ended June 30, 2013.

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.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 19. Discretely Presented Component Unit

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

#### **Deposits**

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

#### **Capital Assets**

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

#### **Pledged Assets and Long-Term Debt**

Long-term debt at December 31, 2012, and collateral pledged, thereon, consists of the following:

Note payable to bank ("A Note"), interest due monthly at 0.5%, principal and interest payments commence on July 2012, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2012 was \$0.

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

The Rocky Mount Business Development Authority ("BDA") is the guarantor of the debt, and the lender may require the BDA to purchase the loan after the seventh year. The City has placed escrow funds totaling \$6,499,000 in a cash collateral account owned by the Rocky Mount Business Development Authority ("BDA") and collateralized by the lender. At the end of seven years, the BDA has the right to use the cash collateral account to pay Note A in full. Additionally, the BDA and lender have entered into an agreement, whereby the lender agrees that if the Theatre remains in compliance with the covenants of the loan agreement, the lender will make a charitable contribution to the BDA in the amount of the B Note, plus interest accrued thereon.

On March 12, 2012, the long term debts, Note A and Note B were sold by the lender to the Rocky Mount Business Development Authority (BDA). The Note A in the amount of \$6,499,000 was paid out using the escrow funds held in the cash collateral account owned by the BDA and collateralized by the lender. Only Note B remains and is owned by the BDA.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 20. Related Party Transactions

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

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

### 21. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement 65, Items Previously reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

## **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, 2013

## 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					
12/31/03	\$ -	\$ 2,090,613		\$ 2,090,613	0.00%	\$ 5,329,225	39.23%
12/31/04	-	2,205,545		2,205,545	0.00%	5,219,243	42.26%
12/31/05	-	2,187,659		2,187,659	0.00%	6,024,089	36.32%
12/31/06	-	2,501,361		2,501,361	0.00%	5,783,996	43.25%
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%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)		Percentage of ARC Contributed
2003	\$	176,638	60.23%
2004		198,195	76.92%
2005		217,166	75.00%
2006		227,572	94.62%
2007		226,351	108.51%
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%

## 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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 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, 2013

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit 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%

## 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%

## 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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00% * Includes inflation at 3.00%
Medical cost trend rate	5% - 8.5%
Year of Ultimate trend rate	2018

## **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, 2013**

	<b>2013</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
<b>Taxes:</b>			
<b>Ad Valorem Taxes:</b>			
Current year	\$ 21,920,000	\$ 21,991,992	\$ 71,992
Prior years	515,000	554,685	39,685
Penalties and interest	<u>200,000</u>	<u>230,093</u>	<u>30,093</u>
Total	<u>22,635,000</u>	<u>22,776,770</u>	<u>141,770</u>
<b>Intergovernmental Revenues:</b>			
Payment in lieu of taxes	1,322,050	1,326,569	4,519
Local option sales tax	9,475,000	8,974,432	(500,568)
Telecommunications tax	900,000	827,404	(72,596)
Franchise tax	3,025,000	2,931,777	(93,223)
Tax refunds	55,000	157,430	102,430
Beer and wine tax	270,000	231,246	(38,754)
ABC revenues	70,200	73,792	3,592
Court facilities fees	157,200	104,497	(52,703)
State grants	1,962,099	1,727,267	(234,832)
On behalf payments - fire	-	19,557	19,557
Other	<u>740,185</u>	<u>792,917</u>	<u>52,732</u>
Total	<u>17,976,734</u>	<u>17,166,888</u>	<u>(809,846)</u>
<b>Licenses, Permits and Other Taxes:</b>			
Privilege licenses	141,000	80,216	(60,784)
Building permits and inspection fees	427,600	480,823	53,223
Rental vehicle tax	55,000	62,421	7,421
Animal tax	26,000	21,462	(4,538)
Other	<u>230,500</u>	<u>224,613</u>	<u>(5,887)</u>
Total	<u>880,100</u>	<u>869,535</u>	<u>(10,565)</u>
<b>Sales and Service:</b>			
Solid waste and recycling charge	3,612,500	3,509,115	(103,385)
Reconnection charges	310,000	316,680	6,680
Weed control charges	55,000	77,451	22,451
Cemetery revenues	141,000	133,200	(7,800)
Sale of fixed assets	105,000	236,595	131,595
Recreation department fee	880,400	763,232	(117,168)
Traffic maintenance charges	7,500	4,074	(3,426)
Transfer station charges	2,700,000	2,560,712	(139,288)
Concessions	167,000	169,241	2,241
Other	<u>473,650</u>	<u>510,568</u>	<u>36,918</u>
Total	<u>8,452,050</u>	<u>8,280,868</u>	<u>(171,182)</u>
Investment Earnings	<u>73,400</u>	<u>127,439</u>	<u>54,039</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, 2013**

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Miscellaneous:</b>			
Insurance	12,500	50,470	37,970
Demolition assessment	57,000	74,508	17,508
Excess utility tax	410,000	346,937	(63,063)
Rents	239,171	245,433	6,262
Contributions	390,500	327,735	(62,765)
Parking	3,050	4,224	1,174
Other	217,300	249,336	32,036
Total	<u>1,329,521</u>	<u>1,298,643</u>	<u>(30,878)</u>
Total revenues	<u>51,346,805</u>	<u>50,520,143</u>	<u>(826,662)</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Mayor and City Council:</b>			
Salaries	66,081	66,080	1
Employee benefits	50,779	43,637	7,142
Operating expenses	471,335	320,538	150,797
Utility service fee	(267,600)	(267,600)	-
Total	<u>320,595</u>	<u>162,655</u>	<u>157,940</u>
<b>City Clerk:</b>			
Salaries	196,310	183,139	13,171
Employee benefits	52,120	48,130	3,990
Operating expenses	37,500	24,339	13,161
Capital outlay	8,000	-	8,000
Utility service fee	(109,600)	(109,600)	-
Total	<u>184,330</u>	<u>146,008</u>	<u>38,322</u>
<b>Community Services:</b>			
Operating expenses	820,170	819,029	1,141
Utility service fee	(379,900)	(379,900)	-
Total	<u>440,270</u>	<u>439,129</u>	<u>1,141</u>
<b>City Manager:</b>			
Salaries	652,190	634,674	17,516
Employee benefits	165,870	144,057	21,813
Operating expenses	79,050	75,754	3,296
Capital outlay	3,500	1,598	1,902
Utility service fee	(393,700)	(393,700)	-
Total	<u>506,910</u>	<u>462,383</u>	<u>44,527</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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Public Affairs:</b>			
Salaries	125,320	125,319	1
Employee benefits	34,860	34,309	551
Operating expenses	43,481	38,439	5,042
Capital outlay	16,289	11,285	5,004
Utility service fee	(84,400)	(84,400)	-
Total	135,550	124,952	10,598
<b>Downtown Development:</b>			
Salaries	88,750	88,712	38
Employee benefits	23,490	22,537	953
Operating expenses	140,465	107,556	32,909
Utility service fee	(115,900)	(115,900)	-
Total	136,805	102,905	33,900
<b>Finance:</b>			
<b>Administration:</b>			
Salaries	200,440	200,432	8
Employee benefits	52,050	51,728	322
Operating expenses	841,200	774,304	66,896
Utility service fee	(1,026,460)	(1,026,464)	4
Total	67,230	-	67,230
<b>Accounting:</b>			
Salaries	442,600	441,696	904
Employee benefits	114,230	110,491	3,739
Operating expenses	41,660	40,180	1,480
Utility service fee	(549,100)	(549,100)	-
Total	49,390	43,267	6,123
<b>Purchasing:</b>			
Salaries	337,920	336,628	1,292
Employee benefits	94,080	93,018	1,062
Operating expenses	50,998	46,199	4,799
Utility service fee	(447,000)	(447,000)	-
Total	35,998	28,845	7,153
<b>Utility Billing:</b>			
Salaries	1,886,060	1,767,338	118,722
Employee benefits	526,680	487,805	38,875
Operating expenses	663,590	605,061	58,529
Capital outlay	26,920	25,779	1,141
Utility service fee	(3,044,800)	(2,877,095)	(167,705)
Total	58,450	8,888	49,562

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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Information Systems:</b>			
Salaries	589,240	557,026	32,214
Employee benefits	140,960	127,289	13,671
Operating expenses	792,900	662,939	129,961
Capital outlay	361,000	227,767	133,233
Utility service fee	(1,802,700)	(1,579,523)	(223,177)
Total	81,400	(4,502)	85,902
Total finance	292,468	76,498	215,970
<b>Central Services:</b>			
<b>Municipal Building:</b>			
Salaries	294,070	286,174	7,896
Employee benefits	87,100	81,233	5,867
Operating expenses	748,276	699,289	48,987
Capital outlay	367,624	248,709	118,915
Utility service fee	(1,064,860)	(1,064,860)	-
Total	432,210	250,545	181,665
<b>Print Shop:</b>			
Operating expenses	189,932	176,359	13,573
Utility service fee	(96,000)	(96,000)	-
Total	93,932	80,359	13,573
<b>Judicial Center:</b>			
Salaries	125,480	103,408	22,072
Employee benefits	28,860	28,227	633
Operating expenses	117,500	109,831	7,669
Capital outlay	41,500	-	41,500
Total	313,340	241,466	71,874
Total central services	839,482	572,370	267,112
<b>Planning and Development:</b>			
<b>Planning Administration:</b>			
Salaries	350,860	349,684	1,176
Employee benefits	185,340	182,244	3,096
Operating expenses	39,650	32,799	6,851
Total	575,850	564,727	11,123

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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Inspections:</b>			
Salaries	438,590	434,456	4,134
Employee benefits	124,220	111,150	13,070
Operating expenses	80,200	55,807	24,393
Total	643,010	601,413	41,597
<b>Community Development:</b>			
Salaries	217,780	217,776	4
Employee benefits	52,200	47,779	4,421
Operating expenses	20,760	20,686	74
Total	290,740	286,241	4,499
<b>Neighborhood Redevelopment:</b>			
Operating expenses	722,543	556,635	165,908
Total	722,543	556,635	165,908
Total planning and development	2,232,143	2,009,016	223,127
<b>Human Resources:</b>			
Salaries	570,610	568,336	2,274
Employee benefits	878,115	821,376	56,739
Operating expenses	128,365	95,824	32,541
Capital outlay	3,500	3,162	338
Utility service fee	(704,000)	(704,000)	-
Total human resources	876,590	784,698	91,892
<b>Human Relations:</b>			
Salaries	215,030	213,573	1,457
Employee benefits	57,710	57,707	3
Operating expenses	27,020	22,526	4,494
Total human relations	299,760	293,806	5,954
Total general government	6,264,903	5,174,420	1,090,483
<b>Public Safety:</b>			
<b>Police:</b>			
<b>Administration:</b>			
Salaries	622,590	609,685	12,905
Employee benefits	86,238	86,229	9
Operating expenses	160,402	153,549	6,853
Capital outlay	7,694	1,334	6,360
Total	876,924	850,797	26,127

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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Support Services:</b>			
Salaries	2,124,920	2,109,094	15,826
Employee benefits	577,560	556,191	21,369
Operating expenses	218,700	122,255	96,445
Capital outlay	60,250	60,250	-
Total	2,981,430	2,847,790	133,640
<b>Special Operations:</b>			
Salaries	1,057,400	1,057,343	57
Employee benefits	742,640	735,577	7,063
Operating expenses	573,720	533,086	40,634
Capital outlay	86,877	82,173	4,704
Total	2,460,637	2,408,179	52,458
<b>Patrol Services:</b>			
Salaries	4,681,480	4,668,119	13,361
Employee benefits	1,345,870	1,312,120	33,750
Operating expenses	572,220	529,650	42,570
Capital outlay	451,544	439,789	11,755
Total	7,051,114	6,949,678	101,436
<b>Investigative Services:</b>			
Salaries	1,084,640	1,043,835	40,805
Employee benefits	296,800	286,537	10,263
Operating expenses	90,420	76,249	14,171
Capital outlay	40,000	38,037	1,963
Total	1,511,860	1,444,658	67,202
Total police	14,881,965	14,501,102	380,863
<b>Fire:</b>			
<b>Administration:</b>			
Salaries	106,970	100,764	6,206
Employee benefits	98,050	94,262	3,788
Operating expenses	377,795	372,295	5,500
Capital outlay	67,483	61,041	6,442
Total	650,298	628,362	21,936
<b>Operations:</b>			
Salaries	6,505,190	6,495,351	9,839
Employee benefits	1,694,120	1,639,243	54,877
Operating expenses	598,778	501,850	96,928
Capital outlay	663,595	52,400	611,195
Total	9,461,683	8,688,844	772,839

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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Prevention:</b>			
Salaries	367,220	286,053	81,167
Employee benefits	100,320	68,346	31,974
Operating expenses	20,294	20,092	202
Total	<u>487,834</u>	<u>374,491</u>	<u>113,343</u>
<b>Training:</b>			
Salaries	224,520	223,956	564
Employee benefits	55,240	54,499	741
Operating expenses	42,025	33,037	8,988
Capital outlay	1,000	895	105
Total	<u>322,785</u>	<u>312,387</u>	<u>10,398</u>
Total fire	<u>10,922,600</u>	<u>10,004,084</u>	<u>918,516</u>
Total public safety	<u>25,804,565</u>	<u>24,505,186</u>	<u>1,299,379</u>
<b>Public Works:</b>			
<b>Administration:</b>			
Salaries	135,990	127,865	8,125
Employee benefits	32,760	32,141	619
Operating expenses	44,400	40,521	3,879
Total	<u>213,150</u>	<u>200,527</u>	<u>12,623</u>
<b>Street and ROW Maintenance:</b>			
Salaries	560,810	545,047	15,763
Employee benefits	184,077	152,239	31,838
Operating expenses	1,402,480	1,328,856	73,624
Capital outlay	168,964	1,497	167,467
Service charges	(385,000)	(413,358)	28,358
Total	<u>1,931,331</u>	<u>1,614,281</u>	<u>317,050</u>
<b>Housing Code Enforcement:</b>			
Salaries	409,950	407,450	2,500
Employee benefits	115,460	108,838	6,622
Operating expenses	357,117	328,627	28,490
Total	<u>882,527</u>	<u>844,915</u>	<u>37,612</u>
<b>Environmental Service:</b>			
Salaries	1,812,599	1,744,124	68,475
Employee benefits	490,350	489,736	614
Operating expenses	3,978,381	3,528,896	449,485
Capital outlay	1,215,767	352,849	862,918
Total	<u>7,497,097</u>	<u>6,115,605</u>	<u>1,381,492</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, 2013

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Fleet Maintenance:</b>			
Salaries	688,420	675,187	13,233
Employee benefits	228,870	218,204	10,666
Operating expenses	2,817,260	2,712,335	104,925
Service charges	(3,526,867)	(3,526,867)	-
Total	207,683	78,859	128,824
Total public works	10,731,788	8,854,187	1,877,601
<b>Engineering:</b>			
<b>Administration:</b>			
Salaries	753,070	742,545	10,525
Employee benefits	194,940	183,536	11,404
Operating expenses	97,743	85,888	11,855
Capital outlay	19,800	19,307	493
Utility service fee	(519,800)	(519,800)	-
Total	545,753	511,476	34,277
<b>Traffic:</b>			
Salaries	450,140	450,136	4
Employee benefits	144,122	144,121	1
Operating expenses	376,052	344,127	31,925
Utility service fee	(477,100)	(477,100)	-
Total	493,214	461,284	31,930
Total engineering	1,038,967	972,760	66,207
<b>Parks and Recreation:</b>			
<b>Administration:</b>			
Salaries	289,870	289,867	3
Employee benefits	68,240	68,232	8
Operating expenses	245,090	243,727	1,363
Total	603,200	601,826	1,374
<b>Athletics:</b>			
Salaries	333,580	333,578	2
Employee benefits	69,080	68,976	104
Operating expenses	139,550	135,574	3,976
Total	542,210	538,128	4,082
<b>Cultural Arts:</b>			
Salaries	422,080	422,031	49
Employee benefits	88,860	88,850	10
Operating expenses	251,367	192,152	59,215
Capital outlay	213,800	168,663	45,137
Total	976,107	871,696	104,411

**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, 2013**

	2013		
	Final Budget	Actual	Variance Over/Under
<b>Amusements and Special Events:</b>			
Salaries	54,530	54,333	197
Employee benefits	16,090	16,088	2
Operating expenses	<u>226,600</u>	<u>183,298</u>	<u>43,302</u>
Total	<u>297,220</u>	<u>253,719</u>	<u>43,501</u>
<b>Museum:</b>			
Salaries	321,010	321,001	9
Employee benefits	69,180	69,171	9
Operating expenses	<u>96,120</u>	<u>92,308</u>	<u>3,812</u>
Total	<u>486,310</u>	<u>482,480</u>	<u>3,830</u>
<b>Parks Maintenance:</b>			
Salaries	965,230	965,227	3
Employee benefits	264,900	264,892	8
Operating expenses	700,045	692,042	8,003
Capital outlay	<u>31,000</u>	<u>30,906</u>	<u>94</u>
Total	<u>1,961,175</u>	<u>1,953,067</u>	<u>8,108</u>
<b>Cemetery Operations:</b>			
Salaries	282,100	282,096	4
Employee benefits	85,780	85,737	43
Operating expenses	73,490	72,468	1,022
Capital outlay	<u>3,500</u>	<u>2,956</u>	<u>544</u>
Total	<u>444,870</u>	<u>443,257</u>	<u>1,613</u>
<b>Outdoor Programs:</b>			
Salaries	110,950	110,911	39
Employee benefits	17,480	15,206	2,274
Operating expenses	<u>34,040</u>	<u>28,020</u>	<u>6,020</u>
Total	<u>162,470</u>	<u>154,137</u>	<u>8,333</u>
<b>Neighborhood Programs:</b>			
Salaries	584,960	584,952	8
Employee benefits	85,300	85,294	6
Operating expenses	<u>217,150</u>	<u>213,174</u>	<u>3,976</u>
Total	<u>887,410</u>	<u>883,420</u>	<u>3,990</u>
<b>Senior Programs:</b>			
Salaries	213,550	213,540	10
Employee benefits	40,140	40,132	8
Operating expenses	169,110	159,883	9,227
Capital outlay	<u>29,235</u>	<u>20,151</u>	<u>9,084</u>
Total	<u>452,035</u>	<u>433,706</u>	<u>18,329</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, 2013**

	<b>2013</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Sports Complex:</b>			
Salaries	141,400	141,338	62
Employee benefits	20,530	20,349	181
Operating expenses	386,392	366,986	19,406
Capital outlay	49,800	49,786	14
Total	<u>598,122</u>	<u>578,459</u>	<u>19,663</u>
<b>Imperial Centre:</b>			
Salaries	112,880	112,875	5
Employee benefits	15,930	15,924	6
Operating expenses	<u>1,346,587</u>	<u>1,318,839</u>	<u>27,748</u>
Total	<u>1,475,397</u>	<u>1,447,638</u>	<u>27,759</u>
Total parks and recreation	<u>8,886,526</u>	<u>8,641,533</u>	<u>244,993</u>
<b>Public Service:</b>			
Capital outlay	<u>2,885,444</u>	<u>880,013</u>	<u>2,005,431</u>
<b>Debt service expenditures:</b>			
Principal	3,140,410	3,136,143	4,267
Interest	<u>392,100</u>	<u>392,098</u>	<u>2</u>
Total debt service expenditures	<u>3,532,510</u>	<u>3,528,241</u>	<u>4,269</u>
Total expenditures	<u>59,144,703</u>	<u>52,556,340</u>	<u>6,588,363</u>
Revenues over (under) expenditures	<u>(7,797,898)</u>	<u>(2,036,197)</u>	<u>5,761,701</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,105,042)	(1,086,932)	18,110
Transfers from other funds	4,120,000	4,149,850	29,850
Installment purchase financing issued	<u>1,840,000</u>	<u>2,223,000</u>	<u>383,000</u>
Total other financing sources (uses):	<u>4,854,958</u>	<u>5,285,918</u>	<u>430,960</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,942,940)</u>	<u>3,249,721</u>	<u>6,192,661</u>
Fund balance appropriated	<u>2,942,940</u>	<u>-</u>	<u>(2,942,940)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,249,721</u>	<u>\$ 3,249,721</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>20,819,712</u>	
End of year, June 30		<u>\$ 24,069,433</u>	

## **NON MAJOR GOVERNMENTAL FUNDS**



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 1,534,132	\$ 1,738,053	\$ 3,272,185
Receivables - net:			
Ad valorem taxes	-	10,956	10,956
Other governmental agencies	979,053	104	979,157
Other	400,041	663,524	1,063,565
Prepaid items	99,000	-	99,000
Restricted cash and investments	5,500	325,585	331,085
Total assets	<u>\$ 3,017,726</u>	<u>\$ 2,738,222</u>	<u>\$ 5,755,948</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 146,770	\$ 576,928	\$ 723,698
Liabilities to be paid from restricted assets	5,500	-	5,500
Due to other funds	394,024	-	394,024
Total liabilities	<u>546,294</u>	<u>576,928</u>	<u>1,123,222</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	-	10,956	10,956
Total deferred inflows of resources	<u>-</u>	<u>10,956</u>	<u>10,956</u>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Prepaid items	99,000	-	99,000
<b>Restricted:</b>			
Stabilization by State statute	1,379,094	663,628	2,042,722
Future capital projects	-	325,585	325,585
Public safety	406,753	-	406,753
Parks and recreation	103,469	-	103,469
Community revitalization	18,750	-	18,750
<b>Committed</b>			
Public service	923,526	-	923,526
Future capital projects	-	249,515	249,515
<b>Assigned</b>	-	911,610	911,610
<b>Unassigned</b>	<u>(459,160)</u>	<u>-</u>	<u>(459,160)</u>
Total fund balances	<u>2,471,432</u>	<u>2,150,338</u>	<u>4,621,770</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,017,726</u>	<u>\$ 2,738,222</u>	<u>\$ 5,755,948</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, 2013**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 73,715	\$ 73,715
Intergovernmental	4,455,245	1,310,896	5,766,141
Project revenues	2,158,367	747,098	2,905,465
Investment earnings	842	1,635	2,477
Miscellaneous	19,741	2,250	21,991
Total revenues	<u>6,634,195</u>	<u>2,135,594</u>	<u>8,769,789</u>
<b>Expenditures:</b>			
General government	-	832,314	832,314
Public safety	209,614	32,995	242,609
Parks and recreation	23,374	9,236,765	9,260,139
Public service	4,062,967	2,503,521	6,566,488
Community revitalization	2,212,833	-	2,212,833
Debt service:			
Principal	72,500	-	72,500
Interest	39,897	-	39,897
Total expenditures	<u>6,621,185</u>	<u>12,605,595</u>	<u>19,226,780</u>
Revenues over (under) expenditures	<u>13,010</u>	<u>(10,470,001)</u>	<u>(10,456,991)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(724,438)	(151,761)	(876,199)
Transfers from other funds	869,821	522,879	1,392,700
Installment purchase financing issued	-	10,025,000	10,025,000
Total other financing sources (uses)	<u>145,383</u>	<u>10,396,118</u>	<u>10,541,501</u>
Net change in fund balances	158,393	(73,883)	84,510
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>2,313,039</u>	<u>2,224,221</u>	<u>4,537,260</u>
End of year, June 30	<u>\$ 2,471,432</u>	<u>\$ 2,150,338</u>	<u>\$ 4,621,770</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 Management Fund**

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

## **Emergency Telephone System Fund**

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

## **Occupancy Tax**

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 985,176	\$ -	\$ 60,730
Receivables - net:			
Other governmental agencies	473,288	355,568	52,072
Other	187,907	4,556	-
Prepaid items	99,000	-	-
Restricted cash and investments	-	5,500	-
Total assets	<u>\$ 1,745,371</u>	<u>\$ 365,624</u>	<u>\$ 112,802</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 61,650	\$ 34,858	\$ 50,262
Liabilities to be paid from restricted assets	-	5,500	-
Due to other funds	-	196,942	-
Total liabilities	<u>61,650</u>	<u>237,300</u>	<u>50,262</u>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
Prepaid items	99,000	-	-
<b>Restricted:</b>			
Stabilization by State statute	661,195	360,124	52,072
Public safety	-	-	21,996
Parks and recreation	-	-	-
Community revitalization	-	18,750	-
<b>Committed</b>	923,526	-	-
<b>Unassigned</b>	-	(250,550)	(11,528)
Total fund balance (deficit)	<u>1,683,721</u>	<u>128,324</u>	<u>62,540</u>
Total liabilities and fund balance	<u>\$ 1,745,371</u>	<u>\$ 365,624</u>	<u>\$ 112,802</u>

**Schedule D-1**

<u>Economic Development</u>	<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	\$ -	\$ 384,757	\$ 103,469	\$ 1,534,132
-	-	59,953	38,172	979,053
207,578	-	-	-	400,041
-	-	-	-	99,000
-	-	-	-	5,500
<u>\$ 207,578</u>	<u>\$ -</u>	<u>\$ 444,710</u>	<u>\$ 141,641</u>	<u>\$ 3,017,726</u>
\$ -	\$ -	\$ -	\$ -	\$ 146,770
-	-	-	-	5,500
<u>197,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,024</u>
<u>197,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546,294</u>
-	-	-	-	99,000
207,578	-	59,953	38,172	1,379,094
-	-	384,757	-	406,753
-	-	-	103,469	103,469
-	-	-	-	18,750
-	-	-	-	923,526
<u>(197,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(459,160)</u>
<u>10,496</u>	<u>-</u>	<u>444,710</u>	<u>141,641</u>	<u>2,471,432</u>
<u>\$ 207,578</u>	<u>\$ -</u>	<u>\$ 444,710</u>	<u>\$ 141,641</u>	<u>\$ 3,017,726</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, 2013**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
<b>Revenues:</b>			
Intergovernmental	\$ 1,564,336	\$ 1,526,710	\$ 214,126
Project revenues	2,023,259	135,108	-
Investment earnings	-	13	21
Miscellaneous	12,080	7,661	-
Total revenues	<u>3,599,675</u>	<u>1,669,492</u>	<u>214,147</u>
<b>Expenditures:</b>			
Public safety	-	-	209,614
Parks and recreation	-	-	23,374
Public service	3,809,120	-	-
Community revitalization	-	1,530,425	-
Debt service:			
Principal	-	72,500	-
Interest	-	39,897	-
Total expenditures	<u>3,809,120</u>	<u>1,642,822</u>	<u>232,988</u>
Revenues over (under) expenditures	<u>(209,445)</u>	<u>26,670</u>	<u>(18,841)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	-	(1,820)	-
Transfers from other funds	326,574	51,247	59,592
Total other financing sources (uses)	<u>326,574</u>	<u>49,427</u>	<u>59,592</u>
Net change in fund balances	117,129	76,097	40,751
<b>Fund Balance:</b>			
Beginning of year, July 1	<u>1,566,592</u>	<u>52,227</u>	<u>21,789</u>
End of year , June 30	<u>\$ 1,683,721</u>	<u>\$ 128,324</u>	<u>\$ 62,540</u>

Schedule D-2

<u>Economic Development</u>	<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 300,000	\$ (630)	359,716	\$ 490,987	\$ 4,455,245
-	-	-	-	2,158,367
-	-	389	419	842
-	-	-	-	19,741
<u>300,000</u>	<u>(630)</u>	<u>360,105</u>	<u>491,406</u>	<u>6,634,195</u>
-	-	-	-	209,614
-	-	-	-	23,374
-	-	253,847	-	4,062,967
682,408	-	-	-	2,212,833
-	-	-	-	72,500
-	-	-	-	39,897
<u>682,408</u>	<u>-</u>	<u>253,847</u>	<u>-</u>	<u>6,621,185</u>
<u>(382,408)</u>	<u>(630)</u>	<u>106,258</u>	<u>491,406</u>	<u>13,010</u>
(95,581)	(28,030)	-	(599,007)	(724,438)
432,408	-	-	-	869,821
<u>336,827</u>	<u>(28,030)</u>	<u>-</u>	<u>(599,007)</u>	<u>145,383</u>
(45,581)	(28,660)	106,258	(107,601)	158,393
<u>56,077</u>	<u>28,660</u>	<u>338,452</u>	<u>249,242</u>	<u>2,313,039</u>
<u>\$ 10,496</u>	<u>\$ -</u>	<u>\$ 444,710</u>	<u>\$ 141,641</u>	<u>\$ 2,471,432</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, 2013**

	Project Authorization	Actual		
		Prior Years	Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 3,790,512	\$ 1,648,028	\$ 1,564,336	\$ 3,212,364
Project revenues	3,673,641	1,736,094	2,023,259	3,759,353
Miscellaneous	10,000	16,302	12,080	28,382
Total revenues	<u>7,474,153</u>	<u>3,400,424</u>	<u>3,599,675</u>	<u>7,000,099</u>
<b>Expenditures:</b>				
<b>Public Service:</b>				
Operating	7,411,217	2,660,785	3,671,174	6,331,959
Capital outlay	877,547	659,393	137,946	797,339
Total expenditures	<u>8,288,764</u>	<u>3,320,178</u>	<u>3,809,120</u>	<u>7,129,298</u>
Revenues over (under) expenditures	<u>(814,611)</u>	<u>80,246</u>	<u>(209,445)</u>	<u>(129,199)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	439,879	90,173	326,574	416,747
Transfers to other funds	(25,000)	(25,000)	-	(25,000)
Fund balance appropriated	399,732	-	-	-
Total other financing sources (uses)	<u>814,611</u>	<u>65,173</u>	<u>326,574</u>	<u>391,747</u>
Adjustment for closed projects	-	1,421,173	-	1,421,173
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,566,592</u>	117,129	<u>\$ 1,683,721</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			1,566,592	
End of year, June 30			<u>\$ 1,683,721</u>	
Prior year numbers have been reduced by the following amounts for projects closed:				
<b>Revenues:</b>				
Intergovernmental			\$ 2,629,533	
Project revenues			2,212,514	
Miscellaneous			8,952	
Total revenues:			<u>4,850,999</u>	
<b>Expenditures:</b>				
Operating			4,253,583	
Capital outlay			623,772	
Total expenditures:			<u>4,877,355</u>	
Revenues over (under) expenditures			(26,356)	
Transfers from other funds			356,082	
Adjustment to Fund Balance			<u>\$ 329,726</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, 2013**

	Project Authorization	Actual		
		Prior Years	Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 17,186,661	\$ 12,715,127	\$ 1,526,710	\$ 14,241,837
Project revenues	1,914,721	1,974,745	135,108	2,109,853
Investment earnings	-	9,855	13	9,868
Miscellaneous	7,322	12,567	7,661	20,228
Total revenues	<u>19,108,704</u>	<u>14,712,294</u>	<u>1,669,492</u>	<u>16,381,786</u>
<b>Expenditures:</b>				
Community revitalization program:				
Operating	19,431,081	15,068,037	1,530,425	16,598,462
Capital outlay	11,679	11,678	-	11,678
Debt service:				
Principal	162,500	90,000	72,500	162,500
Interest	130,209	72,449	39,897	112,346
Total expenditures	<u>19,735,469</u>	<u>15,242,164</u>	<u>1,642,822</u>	<u>16,884,986</u>
Revenues over (under) expenditures	<u>(626,765)</u>	<u>(529,870)</u>	<u>26,670</u>	<u>(503,200)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(1,876)	-	(1,820)	(1,820)
Transfers from other funds	<u>628,641</u>	<u>582,097</u>	<u>51,247</u>	<u>633,344</u>
Total other financing sources (uses)	<u>626,765</u>	<u>582,097</u>	<u>49,427</u>	<u>631,524</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 52,227</u>	<u>76,097</u>	<u>\$ 128,324</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>52,227</u>	
End of year, June 30			<u>\$ 128,324</u>	
Prior year numbers have been reduced by the following amounts for projects closed:				
<b>Revenues:</b>				
Intergovernmental			<u>\$ 1,107,687</u>	
Total revenues:			<u>1,107,687</u>	
<b>Expenditures:</b>				
Operating			882,687	
Capital outlay			<u>285,000</u>	
Total expenditures:			<u>1,167,687</u>	
Revenues over (under) expenditures			(60,000)	
Transfers from other funds			<u>60,000</u>	
Adjustment to Fund Balance			<u>\$ -</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, 2013

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 2,423,387	\$ 1,738,765	\$ 214,126	\$ 1,952,891
Investment earnings	4,650	4,917	21	4,938
Total revenues	<u>2,428,037</u>	<u>1,743,682</u>	<u>214,147</u>	<u>1,957,829</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Operating	1,605,525	1,180,880	159,547	1,340,427
Capital outlay	687,860	435,539	50,067	485,606
<b>Parks and Recreation:</b>				
Operating	<u>199,896</u>	<u>110,315</u>	<u>23,374</u>	<u>133,689</u>
Total expenditures	<u>2,493,281</u>	<u>1,726,734</u>	<u>232,988</u>	<u>1,959,722</u>
Revenues over (under) expenditures	(65,244)	16,948	(18,841)	(1,893)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>65,244</u>	<u>4,841</u>	<u>59,592</u>	<u>64,433</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,789</u>	40,751	<u>\$ 62,540</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>21,789</u>	
End of year, June 30			<u>\$ 62,540</u>	
Prior year numbers have been reduced by the following amounts for projects closed:				
<b>Revenues:</b>				
Intergovernmental			\$ 450,189	
Miscellaneous			<u>5,657</u>	
Total revenues:			<u>455,846</u>	
<b>Expenditures:</b>				
Operating			27,884	
Capital outlay			<u>452,785</u>	
Total expenditures:			<u>480,669</u>	
Revenues over (under) expenditures			(24,823)	
Transfers from other funds			<u>24,823</u>	
Adjustment to Fund Balance			<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, 2013

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 1,490,500	\$ 252,329	\$ 300,000	\$ 552,329
Investment earnings	-	10,496	-	10,496
Miscellaneous	150,000	-	-	-
Total revenues	<u>1,640,500</u>	<u>262,825</u>	<u>300,000</u>	<u>562,825</u>
<b>Expenditures:</b>				
<b>Community Revitalization:</b>				
Operating	1,380,768	378,371	682,408	1,060,779
Capital outlay	704,418	28,377	-	28,377
Total expenditures	<u>2,085,186</u>	<u>406,748</u>	<u>682,408</u>	<u>1,089,156</u>
Revenues over (under) expenditures	<u>(444,686)</u>	<u>(143,923)</u>	<u>(382,408)</u>	<u>(526,331)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(95,582)	-	(95,581)	(95,581)
Transfers from other funds	540,268	200,000	432,408	632,408
Total other financing sources (uses)	<u>444,686</u>	<u>200,000</u>	<u>336,827</u>	<u>536,827</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 56,077</u>	<u>(45,581)</u>	<u>\$ 10,496</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>56,077</u>	
End of year, June 30			<u>\$ 10,496</u>	
Prior year numbers have been reduced by the following amounts for projects closed:				
<b>Revenues:</b>				
Intergovernmental			\$ 394,109	
Investment earnings			150	
Miscellaneous			<u>12,600</u>	
Total revenues:			<u>406,859</u>	
<b>Expenditures:</b>				
Operating			<u>406,859</u>	
Total expenditures:			<u>406,859</u>	
Revenues over (under) expenditures			<u>\$ -</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY MANAGEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 5,630,000	\$ 5,419,741	\$ (630)	\$ 5,419,111
Miscellaneous	-	27,134	-	27,134
Total revenues	<u>5,630,000</u>	<u>5,446,875</u>	<u>(630)</u>	<u>5,446,245</u>
<b>Expenditures:</b>				
<b>Emergency management:</b>				
Operating	<u>5,601,970</u>	<u>5,418,215</u>	-	<u>5,418,215</u>
Total expenditures	<u>5,601,970</u>	<u>5,418,215</u>	-	<u>5,418,215</u>
Revenues over (under) expenditures	28,030	28,660	(630)	28,030
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(28,030)</u>	-	<u>(28,030)</u>	<u>(28,030)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 28,660</u>	<u>(28,660)</u>	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>28,660</u>	
End of year, June 30			<u>\$ -</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Intergovernmental	\$ 359,000	\$ 359,716	\$ 716
Investment earnings	-	389	389
Total revenues	<u>359,000</u>	<u>360,105</u>	<u>1,105</u>
<b>Expenditures:</b>			
Public service:			
Implemental functions	77,000	40,297	36,703
Telephone	140,000	130,927	9,073
Software maintenance	34,000	26,340	7,660
Hardware maintenance	60,000	55,013	4,987
Training	3,000	1,270	1,730
Capital outlay	45,000	-	45,000
Total expenditures	<u>359,000</u>	<u>253,847</u>	<u>105,153</u>
Net change in fund balance	<u>\$ -</u>	106,258	<u>\$ 106,258</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>338,452</u>	
End of year, June 30		<u>\$ 444,710</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, 2013

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 4,995,000	\$ 4,624,034	\$ 490,987	\$ 5,115,021
Investment earnings	35,000	55,208	419	55,627
Total revenues	<u>5,030,000</u>	<u>4,679,242</u>	<u>491,406</u>	<u>5,170,648</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(5,030,000)</u>	<u>(4,430,000)</u>	<u>(599,007)</u>	<u>(5,029,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 249,242</u>	<u>(107,601)</u>	<u>\$ 141,641</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>249,242</u>	
End of year, June 30			<u>\$ 141,641</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, 2013

	<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	\$ 1,384,643	\$ 353,410	\$ 1,738,053
Receivables - net:			
Ad valorem taxes	10,956	-	10,956
Other governmental agencies	104	-	104
Other	663,524	-	663,524
Restricted cash and investments	325,585	-	325,585
Total assets	<u>\$ 2,384,812</u>	<u>\$ 353,410</u>	<u>\$ 2,738,222</u>
<b>Liabilities:</b>			
Accounts payable	\$ 473,033	\$ 103,895	\$ 576,928
Total liabilities	<u>473,033</u>	<u>103,895</u>	<u>576,928</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	10,956	-	10,956
Total deferred inflows of resources	<u>10,956</u>	<u>-</u>	<u>10,956</u>
<b>Fund Balance:</b>			
<b>Restricted:</b>			
Stabilization by State statute	663,628	-	663,628
Future capital projects	325,585	-	325,585
<b>Committed</b>			
	-	249,515	249,515
<b>Assigned</b>			
	911,610	-	911,610
Total fund balance	<u>1,900,823</u>	<u>249,515</u>	<u>2,150,338</u>
total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,384,812</u>	<u>\$ 353,410</u>	<u>\$ 2,738,222</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, 2013**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Taxes	\$ 73,715	\$ -	\$ 73,715
Intergovernmental	184,000	1,126,896	1,310,896
Project revenues	747,098	-	747,098
Investment earnings	1,522	113	1,635
Miscellaneous	-	2,250	2,250
Total revenues	<u>1,006,335</u>	<u>1,129,259</u>	<u>2,135,594</u>
<b>Expenditures:</b>			
General government	832,314	-	832,314
Public safety	32,995	-	32,995
Parks and recreation	8,967,256	269,509	9,236,765
Public service	-	2,503,521	2,503,521
Total expenditures	<u>9,832,565</u>	<u>2,773,030</u>	<u>12,605,595</u>
Revenues over (under) expenditures	<u>(8,826,230)</u>	<u>(1,643,771)</u>	<u>(10,470,001)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(151,761)	-	(151,761)
Transfers from other funds	10,800	512,079	522,879
Installment purchase financing issued	10,025,000	-	10,025,000
Total other financing sources (uses)	<u>9,884,039</u>	<u>512,079</u>	<u>10,396,118</u>
Net change in fund balances	1,057,809	(1,131,692)	(73,883)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>843,014</u>	<u>1,381,207</u>	<u>2,224,221</u>
End of year - June 30	<u>\$ 1,900,823</u>	<u>\$ 249,515</u>	<u>\$ 2,150,338</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 80,200	\$ 73,715	\$ (6,485)
Intergovernmental	184,000	184,000	-
Project revenues	3,168,000	747,098	(2,420,902)
Investment earnings	800	1,522	722
Total revenues	<u>3,433,000</u>	<u>1,006,335</u>	<u>(2,426,665)</u>
<b>Expenditures:</b>			
General government	3,233,725	832,314	2,401,411
Public safety	415,330	32,995	382,335
Parks and recreation	10,603,800	8,967,256	1,636,544
Total expenditures	<u>14,252,855</u>	<u>9,832,565</u>	<u>4,420,290</u>
Revenues over (under) expenditures	<u>(10,819,855)</u>	<u>(8,826,230)</u>	<u>1,993,625</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(151,761)	(151,761)	-
Transfers from other funds	10,800	10,800	-
Installment purchase financing issued	10,792,780	10,025,000	(767,780)
Fund balance appropriated	168,036	-	(168,036)
Total other financing sources (uses)	<u>10,819,855</u>	<u>9,884,039</u>	<u>(935,816)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,057,809</u>	<u>\$ 1,057,809</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>843,014</u>	
End of year, June 30		<u>\$ 1,900,823</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, 2013

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 7,024,314	\$ 5,789,793	\$ 1,126,896	\$ 6,916,689
Investment earnings	-	63,380	113	63,493
Miscellaneous	4,838,535	5,030,194	2,250	5,032,444
Total revenues	<u>11,862,849</u>	<u>10,883,367</u>	<u>1,129,259</u>	<u>12,012,626</u>
<b>Expenditures:</b>				
Parks and recreation	2,245,500	1,964,728	269,509	2,234,237
Public service	<u>17,382,014</u>	<u>14,726,162</u>	<u>2,503,521</u>	<u>17,229,683</u>
Total expenditures	<u>19,627,514</u>	<u>16,690,890</u>	<u>2,773,030</u>	<u>19,463,920</u>
Revenues over (under) expenditures	<u>(7,764,665)</u>	<u>(5,807,523)</u>	<u>(1,643,771)</u>	<u>(7,451,294)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	4,964,665	4,388,730	512,079	4,900,809
Debt financing issued	<u>2,800,000</u>	<u>2,800,000</u>	-	<u>2,800,000</u>
Total other financing sources (uses)	<u>7,764,665</u>	<u>7,188,730</u>	<u>512,079</u>	<u>7,700,809</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,381,207</u>	(1,131,692)	<u>\$ 249,515</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>1,381,207</u>	
End of year, June 30			<u>\$ 249,515</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User charges	\$ 92,350,000	\$ 89,526,567	\$ (2,823,433)
Other operating revenue	2,111,920	1,972,910	(139,010)
Other nonoperating revenue	-	91,623	91,623
Grants and subsidies	156,500	8,094	(148,406)
Investment earnings	241,000	473,962	232,962
Total revenues	<u>94,859,420</u>	<u>92,073,156</u>	<u>(2,786,264)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	2,356,340	2,293,149	63,191
Employee benefits	769,670	686,976	82,694
Electric power purchase	77,000,000	74,829,348	2,170,652
Operating expense	6,355,076	5,264,643	1,090,433
Engineering:			
Salaries	852,470	747,390	105,080
Employee benefits	201,540	193,613	7,927
Operating expense	410,500	259,995	150,505
Utility support services:			
Salaries	212,210	159,525	52,685
Employee benefits	48,130	39,906	8,224
Operating expense	538,000	528,333	9,667
Energy services:			
Salaries	729,790	706,545	23,245
Employee benefits	188,100	187,452	648
Operating expense	949,249	641,379	307,870
Budgetary appropriations:			
Capital outlay	6,375,261	2,909,475	3,465,786
Debt services expenditures	1,290,470	1,290,453	17
Appropriation to school system	209,110	209,110	-
Total expenditures and budgetary appropriations	<u>98,485,916</u>	<u>90,947,292</u>	<u>7,538,624</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,626,496)</u>	<u>1,125,864</u>	<u>4,752,360</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,500,000)	(1,500,000)	-
Transfers from other funds	-	95,581	95,581
Installment purchase financing issued	3,702,920	4,854,180	1,151,260
Fund balance appropriated	1,423,576	-	(1,423,576)
Total other financing sources (uses)	<u>3,626,496</u>	<u>3,449,761</u>	<u>(176,735)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 4,575,625</u>	<u>\$ 4,575,625</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		\$ 4,575,625	
Depreciation		(1,930,588)	
Debt principal		1,215,275	
Capitalized capital outlay		2,762,953	
Debt issued		<u>(4,854,180)</u>	
Change in net position		<u>\$ 1,769,085</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User charges	\$ 23,700,000	\$ 23,257,570	\$ (442,430)
Other operating revenue	28,000	57,503	29,503
Investment earnings	50,500	131,007	80,507
Total revenues	<u>23,778,500</u>	<u>23,446,080</u>	<u>(332,420)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	982,160	938,338	43,822
Employee benefits	561,550	552,174	9,376
Natural gas purchases	14,472,144	12,583,862	1,888,282
Operating expense	4,461,258	3,934,814	526,444
Budgetary appropriations:			
Capital outlay	2,393,717	1,909,700	484,017
Debt services expenditures	310,940	310,928	12
Appropriation to school system	364,716	364,716	-
Total expenditures and budgetary appropriations	<u>23,546,485</u>	<u>20,594,532</u>	<u>2,951,953</u>
Revenues over (under) expenditures	<u>232,015</u>	<u>2,851,548</u>	<u>2,619,533</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,400,000)	(1,400,000)	-
Fund balance appropriated	1,167,985	-	(1,167,985)
Total other financing sources (uses)	<u>(232,015)</u>	<u>(1,400,000)</u>	<u>(1,167,985)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,451,548</u>	<u>\$ 1,451,548</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		\$ 1,451,548	
Depreciation		(814,838)	
Debt principal		293,900	
Capitalized capital outlay		<u>1,697,157</u>	
Change in net position		<u>\$ 2,627,767</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User charges	\$ 11,100,000	\$ 10,181,457	\$ (918,543)
Licenses and permits	50,000	39,882	(10,118)
Other operating revenue	188,500	127,890	(60,610)
Other nonoperating revenue	35,000	-	(35,000)
Investment earnings	61,500	78,893	17,393
Total revenues	<u>11,435,000</u>	<u>10,428,122</u>	<u>(1,006,878)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Water treatment plants:			
Salaries	1,523,250	1,483,187	40,063
Employee benefits	629,370	604,743	24,627
Operating expense	3,988,693	3,152,734	835,959
Water services:			
Salaries	815,190	764,483	50,707
Employee benefits	237,280	216,213	21,067
Operating expense	1,617,930	1,503,044	114,886
Budgetary appropriations:			
Capital outlay	3,946,314	1,608,799	2,337,515
Debt services expenditures	1,026,694	1,019,458	7,236
Appropriation to school system	55,600	55,600	-
Total expenditures and budgetary appropriations	<u>13,840,321</u>	<u>10,408,261</u>	<u>3,432,060</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,405,321)</u>	<u>19,861</u>	<u>2,425,182</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(700,000)	(700,000)	-
Installment purchase financing issued	500,170	229,150	(271,020)
Fund balance appropriated	2,605,151	-	(2,605,151)
Total other financing sources (uses)	<u>2,405,321</u>	<u>(470,850)</u>	<u>(2,876,171)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (450,989)</u>	<u>\$ (450,989)</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		\$ (450,989)	
Depreciation		(1,518,290)	
Debt principal		925,568	
Capitalized capital outlay		2,173,097	
Debt issued		<u>(229,150)</u>	
Change in net position		<u>\$ 900,236</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User charges	\$ 11,960,000	\$ 11,538,328	\$ (421,672)
Licenses and permits	42,200	31,417	(10,783)
Other operating revenue	144,250	202,755	58,505
Grants and subsidies	32,000	29,588	(2,412)
Investment earnings	71,300	133,651	62,351
Total revenues	<u>12,249,750</u>	<u>11,935,739</u>	<u>(314,011)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Waste water treatment plants:			
Salaries	1,093,590	1,093,439	151
Employee benefits	547,710	547,653	57
Operating expense	5,111,571	4,585,721	525,850
Sewer services:			
Salaries	580,540	504,984	75,556
Employee benefits	200,680	134,134	66,546
Operating expense	2,228,420	1,989,259	239,161
Budgetary appropriations:			
Capital outlay	5,065,946	3,667,193	1,398,753
Debt services expenditures	<u>1,507,285</u>	<u>1,380,969</u>	<u>126,316</u>
Total expenditures and budgetary appropriations	<u>16,335,742</u>	<u>13,903,352</u>	<u>2,432,390</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(4,085,992)</u>	<u>(1,967,613)</u>	<u>2,118,379</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(150,000)	(150,000)	-
Debt financing issued	-	2,338,469	2,338,469
Installment purchase financing issued	2,076,150	110,170	(1,965,980)
Fund balance appropriated	<u>2,159,842</u>	<u>-</u>	<u>(2,159,842)</u>
Total other financing sources (uses)	<u>4,085,992</u>	<u>2,298,639</u>	<u>(1,787,353)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 331,026</u>	<u>\$ 331,026</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		\$ 331,026	
Depreciation		(1,912,890)	
Debt principal		1,121,585	
Capitalized capital outlay		3,537,160	
Debt issued		<u>(2,448,639)</u>	
Change in net position		<u>\$ 628,242</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User charges	\$ 3,535,000	\$ 3,388,414	\$ (146,586)
Other operating revenue	2,000	29,778	27,778
Grants and subsidies	61,000	33,245	(27,755)
Investment earnings	20,200	47,606	27,406
Total revenues	<u>3,618,200</u>	<u>3,499,043</u>	<u>(119,157)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Stormwater management:			
Salaries	191,100	184,930	6,170
Employee benefits	70,310	50,126	20,184
Operating expense	488,570	479,337	9,233
Stormwater operations:			
Salaries	1,271,110	1,271,108	2
Employee benefits	530,690	530,574	116
Operating expense	416,945	397,874	19,071
Budgetary appropriations:			
Capital outlay	2,392,695	1,317,997	1,074,698
Debt services expenditures	432,360	424,370	7,990
Total expenditures and budgetary appropriations	<u>5,793,780</u>	<u>4,656,316</u>	<u>1,137,464</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,175,580)</u>	<u>(1,157,273)</u>	<u>1,018,307</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	75,000	75,000	-
Installment purchase financing issued	642,000	364,000	(278,000)
Fund balance appropriated	1,458,580	-	(1,458,580)
Total other financing sources (uses)	<u>2,175,580</u>	<u>439,000</u>	<u>(1,736,580)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (718,273)</u>	<u>\$ (718,273)</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 other financing uses		\$ (718,273)	
Depreciation		(263,868)	
Debt principal		395,655	
Capitalized capital outlay		1,280,642	
Debt issued		<u>(364,000)</u>	
Change in net position		<u>\$ 330,156</u>	



## **INTERNAL SERVICE FUND**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

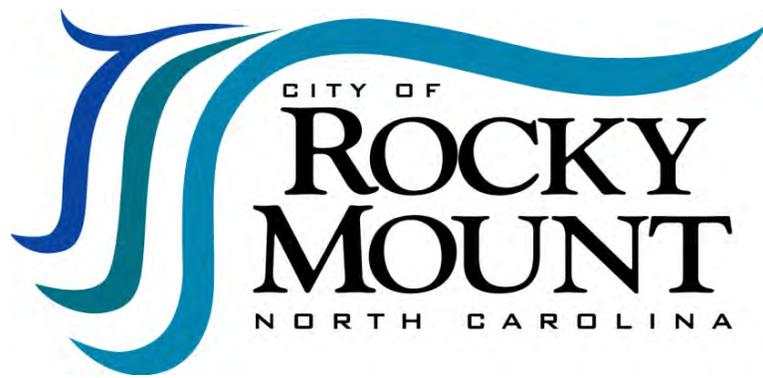
INTERNAL SERVICE FUND- RISK MANAGEMENT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Insurance premiums	\$ 6,200,000	\$ 6,536,303	\$ 336,303
<b>Expenditures:</b>			
Insurance claims	6,200,000	4,825,169	1,374,831
Administrative fees	-	1,466,512	(1,466,512)
Total expenditures	<u>6,200,000</u>	<u>6,291,681</u>	<u>(91,681)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	244,622	<u>\$ 244,622</u>
<b>Net Position:</b>			
Beginning of year, July 1		<u>442,709</u>	
End of year, June 30		<u>\$ 687,331</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, 2013

<b>Community Development and Governmental Activities Fund:</b>	<b>Balance July 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2013</b>
Assets:				
Cash and cash equivalents/investments	\$ 270,661	\$ 382,381	\$ 232,044	\$ 420,998
Total assets	<u>\$ 270,661</u>	<u>\$ 382,381</u>	<u>\$ 232,044</u>	<u>\$ 420,998</u>
Liabilities:				
Accounts payable	\$ -	\$ 6,929	\$ -	\$ 6,929
Due to other governmental agency	<u>270,661</u>	<u>375,452</u>	<u>232,044</u>	<u>414,069</u>
Total liabilities	<u>\$ 270,661</u>	<u>\$ 382,381</u>	<u>\$ 232,044</u>	<u>\$ 420,998</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, 2013

Year	Uncollected Balance July 1, 2012	Additions and Refunds	Collections and Credits	Uncollected Balance June 30, 2013
2012-2013	\$ -	\$ 22,635,274	\$ 21,473,139	\$ 1,162,135
2011-2012	1,071,159	331,624	731,016	671,766
2010-2011	640,572	249	221,123	419,698
2009-2010	417,779	-	92,404	325,375
2008-2009	278,869	-	34,700	244,170
2007-2008	223,360	-	21,710	201,649
2006-2007	202,671	-	17,532	185,139
2005-2006	148,615	119	10,596	138,139
2004-2005	129,898	-	5,172	124,727
2003-2004	130,169	-	6,326	123,840
2002-2003	139,389	-	85,871	53,517
2001-2002	49,704	-	34,095	15,609
2000-2001	17,167	-	17,167	-
<b>Total</b>	<b>\$ 3,449,352</b>	<b>\$ 22,967,265</b>	<b>\$ 22,750,855</b>	<b>3,665,762</b>
Allowance for uncollectible ad valorem taxes receivable				<u>(1,550,872)</u>
Ad valorem taxes receivable, net				<u>\$ 2,114,890</u>
<b>Reconciliation with Revenue:</b>				
Taxes				\$ 22,776,770
Penalties and interest				<u>(230,093)</u>
Total				<u>22,546,677</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				21,991,992
Prior years				<u>554,685</u>
				22,546,677
Releases and transfers from interest				31,475
Other				<u>172,703</u>
Total collections and credits				<u>\$ 22,750,855</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR YEAR ENDED JUNE 30, 2013

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate:					
Real property	\$ 3,074,925,251	\$ 0.58	\$ 17,834,568	\$ 17,834,568	\$ -
Personal property	718,675,885	0.58	4,168,322	2,561,850	1,606,472
Public service property	89,391,011	0.58	518,468	518,468	-
	<u>3,882,992,147</u>		<u>22,521,358</u>	<u>20,914,886</u>	<u>1,606,472</u>
Discoveries	3,190,626	0.55	17,549	17,549	-
Discoveries	6,833,895	0.58	39,637	39,637	-
Refunds	9,781,210	0.58	56,731	56,731	-
Total property valuation	<u>\$ 3,902,797,878</u>				
<b>Net levy</b>			22,635,274	21,028,802	1,606,472
<b>Uncollected taxes at June 30, 2013</b>			<u>1,162,135</u>	<u>778,107</u>	<u>384,028</u>
<b>Current year's taxes collected</b>			<u>\$ 21,473,139</u>	<u>\$ 20,250,695</u>	<u>\$ 1,222,444</u>
<b>Percent of current year taxes collected</b>			<u>94.87%</u>	<u>96.29%</u>	<u>76.09%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Transfers to Fund:</b>	<b>Transfers from Funds:</b>		
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>
General	\$ -	\$ 549,850	\$ -
Electric	-	95,581	-
Stormwater	75,000	-	-
<b>Capital Project Funds:</b>			
General capital projects	10,800	-	-
Capital development	171,310	79,008	111,761
<b>Special Revenue:</b>			
Entitlement grants	51,247	-	-
Public transportation	326,574	-	-
Economic development	432,408	-	-
Crime/safety control	<u>19,592</u>	<u>-</u>	<u>40,000</u>
Total	<u>\$ 1,086,932</u>	<u>\$ 724,438</u>	<u>\$ 151,761</u>

**Enterprise Funds**

---

<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
\$ 1,500,000	\$ 1,400,000	\$ 700,000	\$ -	\$ 4,149,850
-	-	-	-	95,581
-	-	-	-	75,000
-	-	-	-	10,800
-	-	-	150,000	512,079
-	-	-	-	51,247
-	-	-	-	326,574
-	-	-	-	432,408
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,592</u>
<u>\$ 1,500,000</u>	<u>\$ 1,400,000</u>	<u>\$ 700,000</u>	<u>\$ 150,000</u>	<u>\$ 5,713,131</u>



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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULE BY SOURCE  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Governmental Fund Capital Assets:</b>		
Land and land improvements	\$ 29,161,315	\$ 29,215,441
Buildings	61,161,886	53,085,387
Equipment	41,356,390	40,762,963
Infrastructure	53,346,601	47,332,385
Construction in progress	<u>181,905</u>	<u>4,318,991</u>
Total governmental funds capital assets	<u>\$ 185,208,098</u>	<u>\$ 174,715,167</u>
 <b>Investment in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 167,499,585	\$ 156,784,874
Special revenue funds	4,444,392	4,666,171
Joint Venture - Rocky Mount/Wilson Airport	<u>13,264,122</u>	<u>13,264,122</u>
Total governmental funds capital assets	<u>\$ 185,208,098</u>	<u>\$ 174,715,167</u>

Note: Amounts presented above exclude accumulated depreciation and have been adjusted for rounding.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2013**

	<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	1,623,926	142,691	58,502
City Manager	-	811,438	102,533
Finance	3,207	101,401	3,433,856
Central services	1,372,642	23,580,398	2,609,949
Human resources	-	5,229	13,484
Total general government	<u>5,366,572</u>	<u>24,641,157</u>	<u>6,230,483</u>
Transit	<u>221,062</u>	<u>97,128</u>	<u>4,126,201</u>
<b>Public Safety:</b>			
Police	7,239	420,758	5,372,847
Fire	<u>63,312</u>	<u>5,383,720</u>	<u>7,731,863</u>
Total public safety	<u>70,551</u>	<u>5,804,478</u>	<u>13,104,710</u>
Public works	<u>949,195</u>	<u>3,589,520</u>	<u>12,015,178</u>
Engineering	<u>2,136,541</u>	<u>111,488</u>	<u>1,128,124</u>
Parks and recreation	<u>18,832,969</u>	<u>15,874,706</u>	<u>4,115,408</u>
Airport	<u>1,584,426</u>	<u>11,043,410</u>	<u>636,286</u>
Total general capital assets	<u>\$ 29,161,315</u>	<u>\$ 61,161,886</u>	<u>\$ 41,356,390</u>

Note: Amounts presented above exclude accumulated depreciation and have been adjusted for rounding.

**Schedule J-2**

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,378,957
-	-	1,825,119
-	-	913,971
-	-	3,538,464
754,987	-	28,317,977
-	-	18,713
<u>754,987</u>	<u>-</u>	<u>36,993,198</u>
<u>-</u>	<u>-</u>	<u>4,444,392</u>
-	-	5,800,844
<u>-</u>	<u>-</u>	<u>13,178,895</u>
<u>-</u>	<u>-</u>	<u>18,979,738</u>
<u>51,493,350</u>	<u>85,552</u>	<u>68,132,795</u>
<u>-</u>	<u>-</u>	<u>3,376,153</u>
<u>1,098,265</u>	<u>96,354</u>	<u>40,017,702</u>
<u>-</u>	<u>-</u>	<u>13,264,122</u>
<u>\$ 53,346,601</u>	<u>\$ 181,905</u>	<u>\$ 185,208,098</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, 2013**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b>General Government:</b>				
Mayor and Council	\$ 2,378,958	\$ -	\$ 1	\$ 2,378,957
City Clerk	1,818,519	20,160	13,560	1,825,119
City Manager	5,046,346	7,385	4,139,760	913,971
Finance	3,654,934	184,476	300,947	3,538,463
Central services	28,088,396	230,963	1,385	28,317,974
Human resources	18,713	-	-	18,713
Total general government	<u>41,005,866</u>	<u>442,985</u>	<u>4,455,653</u>	<u>36,993,198</u>
Transit	<u>4,666,171</u>	<u>140,182</u>	<u>361,961</u>	<u>4,444,392</u>
<b>Public Safety:</b>				
Police	5,517,251	685,242	401,651	5,800,842
Fire	<u>13,250,555</u>	<u>52,173</u>	<u>123,833</u>	<u>13,178,895</u>
Total public safety	<u>18,767,806</u>	<u>737,416</u>	<u>525,484</u>	<u>18,979,738</u>
Public works	<u>62,081,690</u>	<u>6,903,017</u>	<u>851,912</u>	<u>68,132,795</u>
Engineering	<u>3,528,502</u>	<u>99,028</u>	<u>251,378</u>	<u>3,376,153</u>
Parks and recreation	<u>31,401,010</u>	<u>9,591,023</u>	<u>974,331</u>	<u>40,017,702</u>
Airport	<u>13,264,122</u>	<u>-</u>	<u>-</u>	<u>13,264,122</u>
Total general fixed assets	<u>\$ 174,715,167</u>	<u>\$ 17,913,651</u>	<u>\$ 7,420,719</u>	<u>\$ 185,208,098</u>

Note: Amounts presented above exclude accumulated depreciation and have been adjusted for rounding.

## **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 non-accounting 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292	\$ 94,306,305	\$ 93,284,378
Restricted	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949	14,204,158
Unrestricted	15,538,639	16,957,667	18,404,926	24,105,474	26,804,792	20,930,383	17,374,814	11,714,287	4,972,591	11,002,491
Total governmental activities net position	\$ 104,776,424	\$ 105,323,678	\$ 106,063,710	\$ 107,684,247	\$ 111,347,407	\$ 109,913,653	\$ 107,125,917	\$ 111,502,500	\$ 116,481,845	\$ 118,491,027
Business-type activities										
Net investment in capital assets	\$ 101,634,397	\$ 97,762,992	\$ 101,764,488	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316	\$ 127,857,818	\$ 129,112,028
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,576,271	20,060,100	20,982,144	22,720,072	27,990,145	28,525,650	34,419,807	36,869,650	35,229,343	40,230,619
Total business-type activities	\$ 114,210,668	\$ 117,823,092	\$ 122,746,632	\$ 130,484,391	\$ 137,722,575	\$ 143,575,396	\$ 154,593,525	\$ 160,563,966	\$ 163,087,161	\$ 169,342,647
Primary government										
Net investment in capital assets	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608	\$ 222,164,123	\$ 222,396,406
Restricted	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949	14,204,158
Unrestricted	28,114,910	37,017,767	39,387,070	46,825,546	54,794,937	49,456,033	51,794,621	48,583,937	40,201,934	51,233,110
Total primary government net position	\$ 218,987,092	\$ 223,146,770	\$ 228,810,342	\$ 238,168,638	\$ 249,069,982	\$ 253,489,049	\$ 261,719,442	\$ 272,066,466	\$ 279,569,006	\$ 287,833,674
City of Rocky Mount Theatre, LLC										
Net investment in capital assets	\$ -	\$ -	\$ 724,066	\$ 1,122,029	\$ 898,194	\$ 672,079	\$ 441,663	\$ 258,691	\$ 48,101	\$ 6,336,511
Restricted	-	6,541,494	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 position	\$ -	\$ 6,541,494	\$ 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 63 implementation. Net assets is now Net position.

Data is presented for FY2013 with GASB statement 63 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,447,378	\$ 6,042,747	\$ 5,828,638	\$ 6,637,786	\$ 6,637,786	\$ 6,710,733	\$ 7,093,390	\$ 5,865,807	\$ 2,541,551	\$ 6,880,948
Public Safety	19,046,410	19,056,350	20,571,641	20,528,191	21,873,680	23,102,694	24,944,618	25,816,170	25,859,954	24,923,980
Public Works	7,839,918	7,154,328	8,603,044	8,105,415	8,722,496	8,858,447	8,996,638	7,197,559	9,825,999	8,109,154
Engineering	1,052,631	1,141,096	939,634	984,492	1,139,983	941,982	658,083	186,997	811,304	915,057
Parks and recreation	5,312,167	11,170,909	9,217,034	8,241,393	7,844,487	8,148,677	8,799,437	9,117,886	9,487,899	9,747,554
Public Service	4,722,023	4,861,481	3,354,839	4,944,155	5,629,301	6,349,205	11,884,227	9,368,808	10,161,005	7,798,940
Emergency management	-	2,263,801	-	-	-	-	-	-	5,418,215	-
Hazard mitigation	462,728	93,386	344,245	-	-	-	-	-	-	-
Community revitalization	2,964,035	2,702,468	2,690,132	1,823,575	1,948,078	2,800,689	3,585,679	4,422,615	2,170,571	2,212,833
Interest on Long-term debt	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656	431,995
Total governmental activities expenses	49,273,972	54,800,823	51,961,832	50,916,521	54,283,578	57,400,820	66,405,156	62,268,110	66,769,154	61,020,461
Business-type activities:										
Electric	69,881,791	68,657,738	74,817,488	78,320,332	78,733,182	87,251,619	90,363,924	92,056,649	88,705,142	88,899,652
Gas	21,394,773	24,556,908	30,983,889	27,016,418	25,544,219	25,635,724	21,822,518	22,445,683	18,345,011	19,418,313
Water	8,555,812	8,289,814	8,499,790	8,817,067	8,715,519	9,793,758	9,005,997	9,191,247	9,328,711	8,827,886
Sewer	9,470,920	9,813,137	9,658,701	9,658,399	9,367,159	10,035,368	10,783,556	10,884,607	11,091,914	11,157,497
Storm Water Management	2,394,578	2,483,293	2,600,592	2,748,537	2,911,282	2,869,969	2,939,442	3,078,951	3,352,683	3,243,887
Total business-type activities expenses	111,697,874	113,800,890	126,728,460	126,560,753	125,271,361	135,586,437	134,915,437	137,657,137	130,823,461	131,547,235
Total primary government expenses	\$ 160,973,846	\$ 168,601,713	\$ 178,690,292	\$ 177,477,274	\$ 179,554,939	\$ 192,987,257	\$ 201,320,593	\$ 199,925,247	\$ 197,592,615	\$ 192,567,696
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	6,180,013	6,038,496	1,183,833	3,221,954	2,319,466	1,678,291	1,799,924	1,834,638	2,117,227	2,229,303
Public Safety	800,098	813,507	375,831	578,729	404,249	334,178	321,163	311,960	295,173	341,203
Public Works	5,077,156	4,377,217	5,521,528	5,781,811	6,027,232	5,994,818	5,981,055	6,083,367	6,820,948	6,485,381
Recreation	575,445	551,449	667,022	1,125,845	924,160	1,057,313	1,126,057	1,199,165	1,197,659	1,254,131
Public Service	175,941	183,969	5,967	1,500,327	1,598,478	1,577,139	1,984,204	2,189,132	2,001,241	2,023,260
Other activities	5,240	116,612	-	52,786	14,692	9,934	14,131	12,018	43,794	31,051
Operating grants and contributions	9,251,060	11,716,912	6,979,532	7,373,708	5,751,657	6,435,865	8,013,552	8,382,242	12,126,643	6,759,477
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
Total governmental activities program revenues	22,064,953	23,798,162	18,169,297	21,084,147	19,852,985	18,400,897	24,056,938	25,050,906	30,010,704	21,333,417
Business-type activities:										
Charges for services:										
Electric	70,818,385	70,680,615	78,174,288	83,074,744	83,286,304	90,529,005	94,204,551	96,022,707	89,632,663	91,591,100
Gas	23,173,028	27,176,264	31,684,789	29,526,454	28,547,960	29,689,679	25,025,210	24,079,519	19,574,918	23,315,073
Water	8,837,653	9,060,972	9,497,931	9,512,039	9,294,113	9,271,691	11,257,530	11,716,075	10,385,580	10,349,229
Sewer	8,723,827	9,230,978	10,232,023	10,601,619	10,245,779	10,641,539	11,924,944	11,817,647	11,768,570	11,772,500
Storm Water Management	2,366,558	2,464,505	2,663,764	2,666,750	2,691,342	2,918,743	2,933,755	3,352,106	3,603,852	3,418,192
Operating grants and contributions	296,007	50,000	-	-	-	-	6,102	2,500	2,916	-
Capital grants and contributions	47,975	56,385	101,379	-	-	105,536	2,651,892	725,186	1,225,693	70,927
Total business-type activities program revenues	114,263,433	118,669,719	132,414,174	135,381,606	134,065,498	143,156,193	148,003,984	147,715,740	136,194,192	140,517,021
Total primary government program revenues	\$ 136,328,386	\$ 142,467,881	\$ 150,583,471	\$ 156,465,753	\$ 153,918,483	\$ 161,557,090	\$ 172,040,922	\$ 172,766,646	\$ 166,204,896	\$ 161,850,438

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET POSITION**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue	(27,211,019) \$	(31,002,661) \$	(33,792,535) \$	(29,832,374) \$	(34,430,593) \$	(38,999,923) \$	(42,368,218) \$	(37,217,204) \$	(36,758,450) \$	(39,687,044) \$
Governmental activities	2,565,559	4,868,829	5,685,714	8,820,853	8,794,137	7,569,756	13,088,547	10,058,603	5,370,731	8,969,786
Business-type activities	(24,645,460)	(26,133,832)	(28,106,821)	(21,011,521)	(25,636,456)	(31,430,167)	(29,279,671)	(27,158,601)	(31,387,719)	(30,717,258)
Total primary government net expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	-	-	(99,747)	(265,087)	(263,362)	(280,562)	(268,927)	(268,936)	(268,946)	(241,435)
Investment earnings	-	-	20,755	1,557	-	-	-	-	-	-
Operating grants and contributions	-	3,675,205	-	784,909	6,581	21,410	5,565	5,574	5,584	6,504,000
Capital grants and contributions	-	2,866,289	852,039	-	-	-	-	-	-	-
Total City of Rocky Mount Theatre, LLC	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		6,541,494	773,047	521,379	(256,781)	(259,152)	(263,362)	(263,362)	(263,362)	6,262,565

**General Revenues and Other Changes in**

**Net Position**

Governmental activities:

Taxes:

Ad valorem taxes	\$	15,125,425	\$	15,473,269	\$	17,658,024	\$	18,188,521	\$	19,499,709	\$	21,558,895	\$	21,528,800	\$	21,778,008	\$	22,965,276	
Local option taxes		9,218,640		9,940,317		10,444,807		8,269,778		9,436,526		8,916,046		8,961,679		9,371,996		9,158,432	
Alcoholic beverage taxes		35,424		43,801		42,158		-		-		-		-		-		-	
Other taxes		2,394,114		2,523,858		5,000,150		3,475,190		3,749,239		3,844,700		3,855,023		3,819,472		3,759,181	
Investment earnings		281,293		571,906		953,803		1,554,069		436,902		122,011		86,433		70,341		129,915	
Miscellaneous		1,584,818		1,550,358		(406,432)		460,298		1,793,793		2,335,138		2,601,852		3,631,978		2,104,003	
Transfers		577,543		1,446,406		1,646,500		2,212,445		2,830,090		2,803,692		4,560,000		3,066,000		3,579,419	
Total governmental activities		29,217,257		31,549,915		33,220,048		33,629,804		37,566,169		39,580,482		41,593,787		41,737,795		41,696,226	
Business-type activities		106,197		190,001		884,326		1,244,435		933,065		733,274		471,838		218,464		865,119	
Investment earnings		(577,543)		(1,446,406)		(1,646,500)		(2,212,445)		(2,830,090)		(2,803,692)		(4,560,000)		(3,066,000)		(3,579,419)	
Transfers		(471,346)		(1,256,405)		(762,174)		(968,010)		(1,555,953)		(1,716,935)		(4,088,162)		(2,847,556)		(2,714,300)	
Total business-type activities		\$	28,745,911	\$	30,293,510	\$	32,457,874	\$	32,661,794	\$	36,537,800	\$	37,510,064	\$	37,505,625	\$	38,890,259	\$	38,981,926
Total primary government		\$	2,006,238	\$	547,254	\$	(572,487)	\$	3,797,430	\$	(1,433,754)	\$	(2,787,736)	\$	4,376,583	\$	4,979,345	\$	2,009,182
Governmental activities		2,094,213		3,612,424		4,923,540		7,852,843		5,852,821		11,018,129		5,970,441		2,523,195		6,255,486	
Business-type activities		(4,100,451)		(4,159,678)		(4,351,053)		(11,650,273)		(10,901,344)		(8,230,393)		(10,347,024)		(7,502,540)		(8,264,668)	
Total primary government		\$	-	\$	6,541,494	\$	773,047	\$	521,379	\$	(256,781)	\$	(259,152)	\$	(263,362)	\$	(263,362)	\$	6,262,565

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	\$ 7,381,918	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	\$ -	\$ -	\$ -
Unreserved	9,810,279	9,275,498	10,754,957	11,390,174	15,165,835	13,750,586	11,765,250	-	-	-
Nonspendable	-	-	-	-	-	-	-	355,546	383,732	404,514
Restricted	-	-	-	-	-	-	-	8,455,455	12,485,342	11,306,879
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	1,433,525	963,473	2,429,395
Unassigned	-	-	-	-	-	-	-	8,700,100	6,987,165	9,928,645
<b>Total General Fund</b>	<b>\$ 17,192,197</b>	<b>\$ 17,542,848</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>

**All other governmental funds**

Reserved	\$ 18,743,796	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285	\$ 730,296	\$ 393,710	\$ 63,546	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,711,268	1,406,578	862,741	1,842,385	1,336,395	1,836,760	2,310,853	-	-	-
Capital projects funds	236,233	(1,542,598)	(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
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	-	1,809,993	3,142,689	1,908,066
Capital projects funds	-	-	-	-	-	-	-	876,388	2,868,236	989,213
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	-	776,078	767,850	923,526
Capital projects funds	-	-	-	-	-	-	-	2,773,711	-	249,515
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	790,196	841,164	911,610
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(124,272)	(1,726,390)	(459,160)
Capital projects funds	-	-	-	-	-	-	-	-	(1,485,179)	-
<b>Total all other governmental funds</b>	<b>\$ 22,691,297</b>	<b>\$ 11,508,838</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>Total governmental funds</b>	<b>\$ 39,883,494</b>	<b>\$ 29,051,686</b>	<b>\$ 24,534,126</b>	<b>\$ 26,625,874</b>	<b>\$ 29,312,483</b>	<b>\$ 28,715,508</b>	<b>\$ 26,215,791</b>	<b>\$ 25,946,720</b>	<b>\$ 25,356,972</b>	<b>\$ 28,691,203</b>

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Ad valorem taxes	\$ 15,166,045	\$ 15,480,246	\$ 15,539,062	\$ 17,557,400	\$ 17,911,751	\$ 19,410,649	\$ 21,415,865	\$ 21,337,096	\$ 21,939,984	\$ 22,850,485
Intergovernmental revenues	22,271,559	25,003,998	22,438,252	21,627,094	22,735,263	22,209,500	23,808,794	25,081,411	27,109,946	22,933,029
Licenses and permits	959,509	1,062,447	1,154,278	1,093,244	1,065,569	950,558	948,416	883,621	921,813	869,535
Sales and services	6,287,858	5,776,514	7,087,149	7,440,276	7,088,107	7,442,379	7,680,531	7,777,765	8,487,008	8,280,868
Investment earnings	325,595	571,907	953,803	1,137,780	980,278	436,902	122,011	86,433	70,342	129,916
Contributions	-	-	1,750	-	-	-	-	-	-	-
Project revenue	755,317	953,509	1,956,496	2,248,049	2,240,943	2,369,044	2,703,369	3,346,505	7,571,153	2,905,465
Miscellaneous	1,515,686	1,616,700	1,328,766	1,167,288	1,839,066	1,311,417	4,081,824	3,355,682	1,199,455	1,320,634
<b>Total revenues</b>	<b>47,281,569</b>	<b>50,465,321</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>Expenditures</b>										
Current:										
General government	4,035,859	5,158,843	4,699,327	4,962,300	5,443,209	5,752,575	6,156,042	5,856,442	5,107,954	5,174,420
Public safety	18,364,648	18,942,217	19,243,723	19,847,153	21,299,722	22,687,684	24,825,635	25,204,655	25,460,672	24,714,800
Public service	4,404,003	6,556,720	4,989,178	4,907,501	3,801,544	4,801,568	5,186,371	8,142,128	5,328,963	4,942,980
Public works	8,683,760	8,163,894	8,407,965	8,687,750	8,749,217	10,339,464	9,127,316	10,684,706	10,459,006	8,854,187
Engineering	990,811	1,091,174	1,012,595	983,545	1,139,983	1,176,520	983,839	974,241	970,091	972,760
Parks and recreation	4,459,702	5,320,805	5,205,534	6,986,768	6,834,700	7,160,670	7,634,255	7,939,785	8,328,491	8,664,907
Community revitalization	3,008,056	2,702,468	2,690,490	1,823,575	1,948,078	2,645,895	3,573,194	4,422,615	2,170,571	2,212,833
Emergency management	-	2,263,801	-	-	-	-	-	-	5,418,215	-
Hazard Mitigation	469,501	93,386	344,245	-	-	-	-	-	-	-
Capital projects:										
General government	31,604	34,323	136,122	117,391	25,000	252,543	56,045	801,837	711,148	832,314
Public safety	944,470	413,219	65,665	875,842	99,006	856,699	558,465	1,099,129	43,487	32,995
Parks and recreation	2,461,473	10,643,850	10,254,898	1,044,288	1,907,827	861,726	675,657	274,414	134,851	9,236,765
Public service	217,888	47,341	2,763	36,654	1,644,876	1,346,759	6,418,173	1,478,933	4,781,240	2,503,521
Community revitalization	-	-	-	-	-	154,794	12,485	-	-	-
Debt service:										
Principal	1,938,575	2,629,979	2,481,687	2,690,399	2,247,878	2,979,134	3,202,319	2,980,771	2,803,104	3,208,643
Interest	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656	431,995
<b>Total expenditures</b>	<b>\$ 50,439,032</b>	<b>\$ 64,376,277</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>Excess of revenues over</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
(under) expenditures	\$ (3,157,463)	\$ (13,910,956)	\$ (10,181,054)	\$ (1,152,697)	\$ (1,767,831)	\$ (7,373,975)	\$ (8,093,070)	\$ (8,283,411)	\$ (4,910,748)	\$ (12,493,188)
<b>Other financing sources (uses)</b>										
Transfers in	3,648,625	3,906,689	3,934,664	4,071,907	6,233,811	4,863,050	4,132,894	7,157,151	4,827,886	5,542,550
Transfers out	(2,669,775)	(2,460,283)	(2,288,164)	(1,859,462)	(3,365,371)	(2,213,050)	(1,329,202)	(1,849,151)	(1,761,886)	(1,963,131)
Capital contributions	-	100,388	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	1,305,000	1,084,661	410,339	-	-
Proceeds from installment purchase agreement	12,574,001	1,532,354	725,000	1,032,000	1,586,000	2,822,000	1,705,000	2,296,000	1,255,000	12,248,000
<b>Total other financing sources (uses)</b>	13,552,851	3,079,148	2,371,500	3,244,445	4,454,440	6,777,000	5,593,353	8,014,339	4,321,000	15,827,419
<b>Net change in fund balance</b>	\$ 10,395,388	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609	\$ (596,975)	\$ (2,499,717)	\$ (269,072)	\$ (589,748)	\$ 3,334,231
<b>Total debt service</b>	\$ 2,367,257	\$ 2,944,236	\$ 3,588,105	\$ 3,151,061	\$ 2,735,646	\$ 3,467,527	\$ 3,646,403	\$ 3,273,039	\$ 3,295,760	\$ 3,640,638
Total expenditures	\$ 50,439,032	\$ 64,376,277	\$ 60,640,610	\$ 53,423,828	\$ 55,628,808	\$ 61,504,424	\$ 68,853,880	\$ 70,151,924	\$ 72,210,449	\$ 71,783,120
Capital outlay primary government only	6,978,233	14,855,440	10,010,640	5,283,290	4,528,713	6,945,548	5,588,437	10,401,869	8,523,259	12,937,662
<b>Non-capital expenditures</b>	\$ 43,460,799	\$ 49,520,837	\$ 50,629,970	\$ 48,140,538	\$ 51,100,095	\$ 54,558,876	\$ 63,265,443	\$ 59,750,055	\$ 63,687,190	\$ 58,845,458
<b>Debt service as a percentage of non-capital expenditures</b>	<u>5.45%</u>	<u>5.95%</u>	<u>7.09%</u>	<u>6.55%</u>	<u>5.35%</u>	<u>6.36%</u>	<u>5.76%</u>	<u>5.48%</u>	<u>5.17%</u>	<u>6.19%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**

Last Ten Fiscal Years

Fiscal Year	General Government		Public Safety		Public Service		Public Works and Engineering		Parks & Recreation		Emergency Management Hazard Mitigation		Community Revitalization		Debt Service		Total Expenditures	
2004	\$	4,067,463	\$	19,309,118	\$	4,621,891	\$	9,674,571	\$	6,921,175	\$	469,501	\$	3,008,056	\$	2,367,257	\$	50,439,032
2005		5,193,166		19,355,436		6,604,061		9,255,068		15,964,655		2,357,187		2,702,468		2,944,236		64,376,277
2006		4,835,449		19,309,388		4,991,941		9,420,560		15,460,432		344,245		2,690,490		3,588,105		60,640,610
2007		5,079,691		20,722,995		4,944,155		9,671,295		8,031,056		-		1,823,575		3,151,061		53,423,828
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		-		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		5,418,215		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

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 Permits & Other Taxes	Total Tax Revenues
2004	\$ 15,096,358	\$ 7,780,851	\$ 2,114,785	\$ 643,218	\$ -	\$ 241,192	\$ -	\$ 959,509	\$ 26,835,913
2005	15,410,242	8,484,481	2,156,778	690,000	-	248,474	-	1,062,447	28,052,422
2006	15,471,066	8,645,938	2,286,691	649,543	-	248,713	-	1,154,278	28,456,229
2007	17,489,699	9,114,179	2,139,942	892,825	-	254,360	-	1,093,244	30,984,249
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

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

Note: Ad valorem taxes includes penalties & interest

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Fiscal Years

<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>
2004	\$ 15,166,045	\$ 643,218	\$ 21,628,341	\$ 959,509	\$ 6,287,858	\$ 755,317	\$ 325,595	\$ 1,515,686	\$ 47,281,569
2005	15,480,246	690,000	24,313,998	1,062,447	5,776,514	953,509	571,907	1,616,700	50,465,321
2006	15,539,062	649,543	21,788,709	1,154,278	7,087,149	1,956,496	953,803	1,330,516	50,459,556
2007	17,557,400	892,825	20,734,269	1,093,244	7,440,276	2,248,049	1,137,780	1,167,288	52,271,131
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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years**

Fiscal Year	Real Property				Personal Property		Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property		Commercial Property		Nash		Edgecombe					
	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe				
2004	\$ 1,054,977,251	\$ 253,503,275	\$ 795,860,032	\$ 84,501,092	\$ 562,746,225	\$ 104,125,246	\$ 32,695,064	\$ 47,181,660	\$ 2,935,589,845	\$	\$ 3,176,490,414	92.42%
2005	1,077,695,549	262,120,334	812,998,397	78,295,684	593,586,482	101,352,335	36,435,170	49,004,400	3,011,488,351	0.50	3,256,634,332	92.47%
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	631,198,099	86,492,902	36,173,019	42,110,137	3,068,079,978	0.50	3,436,851,062	89.27%
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%
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%

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>	
2004	0.50	-	0.50	0.91	-	0.91	1.41
2005	0.50	-	0.50	0.93	-	0.93	1.43
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49
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

<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>	
2004	0.50	-	0.50	0.66	0.20	1.36
2005	0.50	-	0.50	0.66	0.20	1.36
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.66	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

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	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc <sup>a</sup>	Pharmaceuticals	\$149,062,579	1	3.82 %	\$68,737,008	1	2.34 %
Carolina Telephone Company	Communications	43,173,413	2	1.11	40,373,450	4	1.38
Edgecombe Genco LLC <sup>c</sup>	Electrical Energy Producer	39,497,094	3	1.01	47,912,248	2	1.63
Hendon Golden East LLC <sup>b</sup>	Retail Shopping Center	35,681,052	4	0.91	24,484,640	6	0.83
PNC Bank <sup>d</sup>	Banking	19,248,399	5	0.49	44,439,952	3	1.51
Kaba Ilco Corp <sup>e</sup>	Key & Security System Manufacturer	19,093,624	6	0.49	17,862,704	8	0.61
Rocky Mount WEHLP	Community Development Company	18,147,861	7	0.46			
Honeywell International Inc	Aircraft Manufacturer	16,196,607	8	0.41	20,200,952	7	0.69
Progress Energy Carolinas	Electrical Energy Producer	15,685,383	9	0.40			
CSX Transportation	Railroad Transportation	15,205,396	10	0.39			
American Fibers and Yarns Co.	Textile Manufacturer				24,902,722	5	
Interstate Brands Co. Ry Mt Inc	Bakery				15,878,788	9	0.54
Cobb Corners Ltd. Partnership	Retail Shopping Center				15,186,100	10	0.52
<b>Total</b>		<b>\$370,991,408</b>		<b>9.51 %</b>	<b>\$319,978,564</b>		<b>10.05 %</b>

Source: City of Rocky Mount Finance Dept

<sup>a</sup> Formerly Abbott Laboratories

<sup>b</sup> Formerly C F Golden East L P

<sup>c</sup> Formerly Kaba Ilco Corp

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

<sup>e</sup> Formerly Cogentrix of Rocky Mount 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
2004	\$ 14,676,242	\$ 312,837	\$ 14,989,079	\$ 14,046,434	95.71	\$ 818,804	\$ 14,865,238	99.17
2005	15,314,550	364,564	15,679,114	14,652,620	95.68	901,768	15,554,388	99.20
2006	15,188,026	462,864	15,650,890	14,663,915	96.55	848,837	15,512,752	99.12
2007	17,089,087	446,941	17,536,028	16,403,053	95.99	947,835	17,350,888	98.94
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,118,526	17,930,218	98.89
2009	19,086,402	454,600	19,541,002	18,132,030	95.00	1,164,802	19,296,832	98.75
2010	21,219,040	422,138	21,641,178	20,125,420	94.85	1,083,574	21,208,994	98.00
2011	21,239,809	386,888	21,626,697	19,993,488	94.13	1,082,039	21,075,527	97.45
2012	21,241,883	437,221	21,679,104	20,276,321	95.45	731,016	21,007,337	96.90
2013	22,521,357	113,916	22,635,274	21,473,139	95.35		21,473,139	94.87

Source: City of Rocky Mount Finance Department

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ELECTRIC UTILITY REVENUE RATES**

Fiscal Year 2012 -2013

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	Monthly Energy Charge-First 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		10.00	25.00					0.131538			
Small General Service		18.22	31.90				0.158244	0.131759	0.124472		
Medium General Service		19.01	33.29			0.097561					
Large General Service	807.20					0.073988					
Coordinated Demand Control Service				189.68	695.49	1,327.76					
Med General Seasonal/Intermittent		26.60	40.88							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>2004</u>	<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>
<b>Residential-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	8.16	8.26	9.23	9.23	9.23	10.00	10.00	10.00	10.00	10.00
Monthly Customer Charge-Three Phase(add amount to single)	11.68	11.83	13.22	13.22	13.22	15.00	15.00	15.00	15.00	15.00
Monthly Energy Charge/kWH		0.12	0.12	0.11	0.11	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	0.11	0.11	-	-	-	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	0.09	0.09	-	-	-	-	-	-	-	-
<b>Small General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	15.56	15.75	17.60	17.60	17.60	18.22	18.22	18.22	18.22	18.22
Monthly Customer Charge-Three Phase(add amount to single)	11.68	11.83	13.22	13.22	13.22	13.68	13.68	13.68	13.68	13.68
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.12	0.12	0.14	0.14	0.14	0.16	0.16	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.10	0.10	0.11	0.11	0.11	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.09	0.09	0.11	0.11	0.11	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	15.56	15.75	17.60	17.60	17.60	19.01	19.01	19.01	19.01	19.01
Monthly Customer Charge-Three Phase(add amount to single)	11.68	11.83	13.22	13.22	13.22	14.28	14.28	14.28	14.28	14.28
Monthly Energy Charge/kWH	0.07	0.07	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.10
<b>Large General Service-rates at fiscal year-end</b>										
Monthly Customer Charge	656.71	733.82	733.82	733.82	733.82	807.20	807.20	807.20	807.20	807.20
Monthly Energy Charge/kWH	0.05	0.06	0.06	0.06	0.06	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>2004</u>	<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>
<b>Coordinated Demand Control Service-rates fiscal end</b>										
Monthly Customer Charge-Under 1,000 kW	157.17	157.17	175.63	175.63	175.63	189.68	189.68	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	576.30	576.30	643.97	643.97	643.97	695.49	695.49	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	1,100.22	1,100.22	1,229.41	1,229.41	1,229.41	1,327.76	1,327.76	1,327.76	1,327.76	1,327.76
Monthly Energy Charge/kWH	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06
<b>Med General Seasonal/Intermittent-rates fiscal end</b>										
Monthly Customer Charge-Single Phase	15.56	15.75	17.60	17.60	17.60	26.60	26.60	26.60	26.60	26.60
Monthly Customer Charge-Three Phase	27.24	27.58	30.82	30.82	30.82	40.88	40.88	40.88	40.88	40.88
Monthly Energy Charge-First 2000 kWh/kWH	0.11	0.11	0.12	0.12	0.12	0.15	0.15	0.15	0.15	0.15
Monthly Energy Charge-Additional kWh/kWH	0.08	0.08	0.10	0.09	0.09	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**

**ELECTRIC FUND REVENUES, EXPENSES AND NET INCOME**

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Power	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2004	\$ 70,099,299	\$ 56,464,242	\$ 12,811,149	\$ 823,908	\$ 358,607	\$ 1,182,515	\$ (1,729,180)	\$ (546,665)	-0.8%
2005	69,650,344	56,336,079	11,912,498	1,401,767	598,235	2,000,002	(946,406)	1,053,596	1.5%
2006	78,239,181	62,244,977	11,847,200	4,147,004	(155,379)	3,991,625	(1,016,500)	2,975,125	3.8%
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969	(1,450,000)	3,814,969	4.6%
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%

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>
2004	69,947,046	152,253	508,908	285,907	18,799	70,912,913
2005	69,259,750	390,594	794,744	-	20,108	70,465,196
2006	77,276,496	962,685	-	250,000	319,932	78,809,113
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301
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

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial/ Industrial</u>	<u>Commercial</u>	<u>Seasonal</u>	<u>Other Lights</u>	<u>Total User Charges</u>
2004	\$ 31,900,566	\$ 34,008,336	\$ 2,348,027	\$ 124,267	\$ 1,565,850	\$ 69,947,046
2005	31,523,269	34,013,985	2,063,686	120,620	1,538,190	69,259,750
2006	36,321,665	36,775,239	2,401,305	134,323	1,643,964	77,276,496
2007	37,192,405	39,477,453	2,484,540	131,543	1,734,325	81,020,266
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

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>
2004	\$ 23,085,573	\$ 15,947,768	\$ 4,980,597	\$ 2,157,208	\$ (408,720)	\$ 1,748,488	\$ -	\$ 1,748,488	7.6%
2005	27,087,316	20,022,261	4,463,489	2,601,566	28,994	2,630,560	(700,000)	1,930,560	7.1%
2006	31,684,789	26,372,355	4,436,476	875,958	59,438	935,396	(1,000,000)	(64,604)	-0.2%
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923	(900,000)	1,917,923	6.5%
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%

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>
2004	\$ 23,036,682	\$ 48,891	\$ -	\$ 24,662	\$ 23,110,235
2005	27,087,066	250	-	62,244	27,149,560
2006	31,684,589	200	-	234,496	31,919,285
2007	29,526,454	-	-	307,887	29,834,341
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

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GAS FUND USER CHARGES**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Special</b>	<b>Seasonal</b>	<b>Other</b>	<b>Total User Charges</b>
2004	\$ 12,297,077	\$ 6,536,227	\$ 859,116	\$ 3,187,255	\$ 138,164	\$ 18,843	\$ 23,036,682
2005	14,000,487	7,752,418	819,822	4,307,113	204,058	3,168	27,087,066
2006	16,192,772	9,526,806	1,150,982	4,455,658	355,708	2,662	31,684,589
2007	14,975,766	8,592,738	1,102,949	4,565,371	288,076	1,554	29,526,454
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

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>
2004	\$ 8,617,670	\$ 7,836,436	\$ 781,234	\$ (392,638)	\$ 388,596	\$ (133,373)	\$ 255,223	3.0%
2005	8,788,591	7,747,906	1,040,685	(242,086)	798,599	(600,000)	198,599	2.3%
2006	9,514,292	8,099,827	1,414,465	(231,641)	1,182,824	(330,000)	852,824	9.0%
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664	(350,000)	559,664	5.9%
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%

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>
2004	\$ 8,434,449	\$ 38,228	\$ 161,290	\$ -	\$ 10,100	\$ 32,831	\$ 8,676,898
2005	8,668,630	82,335	37,626	-	-	61,828	8,850,419
2006	9,329,808	79,094	105,390	-	-	168,322	9,682,614
2007	9,323,877	36,407	151,761	-	-	214,692	9,726,737
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

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## WATER FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Inside City</u>	<u>Outside City</u>	<u>Municipal</u>	<u>Other</u>	<u>Total User Charges</u>
2004	\$ 6,843,878	\$ 717,074	\$ 871,724	\$ 1,773	\$ 8,434,449
2005	7,130,536	738,940	796,923	2,230	8,668,630
2006	7,674,909	835,590	818,929	380	9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877
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

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>
2004	\$ 8,623,692	\$ 8,890,909	\$ (267,217)	\$ (458,661)	\$ (725,878)	\$ 31,678	\$ (694,200)	-8.0%
2005	9,213,340	9,335,446	(122,106)	(331,288)	(453,394)	-	(453,394)	-4.9%
2006	10,311,549	9,395,580	915,969	(346,652)	569,317	-	569,317	5.5%
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415	(22,445)	1,009,970	9.5%
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%

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>
2004	\$ 8,542,153	\$ 10,604	\$ 102,613	\$ -	\$ 27,766	\$ 8,683,136
2005	8,994,505	5,930	212,905	-	22,218	9,235,558
2006	10,135,472	(7,919)	183,996	-	84,469	10,396,018
2007	10,522,925	10,465	68,232	-	89,195	10,690,817
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

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>
2004	\$ 6,770,687	\$ 384,146	\$ 289,774	\$ 1,063,778	\$ 33,768	\$ 8,542,153
2005	7,578,173	266,046	71,480	1,041,481	37,325	8,994,505
2006	8,111,423	503,691	61,818	1,429,185	29,356	10,135,472
2007	8,386,692	134,055	92,025	1,880,219	29,934	10,522,925
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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORMWATER 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>
2004	\$ 2,246,746	\$ 2,287,496	\$ (40,750)	\$ (650)	\$ (41,400)	\$ 1,301,307	\$ 1,259,907	56.1%
2005	2,333,267	2,339,776	(6,509)	17,261	10,752	800,000	810,752	34.7%
2006	2,673,764	2,227,602	446,162	(295,883)	150,279	700,000	850,279	31.8%
2007	2,666,750	2,738,985	(72,235)	112,552	40,317	510,000	550,317	20.6%
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%

Source: Audited financial reports of the City of Rocky Mount

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORMWATER FUND REVENUES BY SOURCE**

Last 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>
2004	\$ 2,246,746	\$ -	\$ -	\$ -	\$ 2,137	\$ 2,248,883
2005	2,333,267	-	-	-	23,603	2,356,870
2006	2,673,764	-	-	-	77,107	2,750,871
2007	2,666,750	-	-	-	122,104	2,788,854
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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Multi-family</b>	<b>Commercial</b>	<b>Total User Charges</b>
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Fiscal Year	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						
2004	\$ 17,435,317	\$ 135,000	\$ -	\$ 157,984	\$ 4,908,640	\$ 6,481,360	\$ -	\$ 3,058,425				\$ 32,176,726	0.84%	\$ 573.19
2005	16,519,537	-	-	144,683	4,051,029	5,348,971	592,893	9,219,339				35,876,452	0.91%	637.14
2006	14,828,599	-	-	111,288	3,210,656	4,239,344	1,194,328	8,987,480				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				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				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				31,853,033	0.69%	537.80
2010	12,068,881	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946				33,811,776	0.70%	561.47
2011	12,477,111	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382				33,111,304	0.69%	576.08
2012	11,274,007	2,510,000	500,000	834,046	-	-	5,268,013	13,468,136				33,854,202	not available	589.46
2013	20,558,364	2,365,000	400,000	785,052	-	-	7,377,096	15,303,040				46,788,552	not available	825.92

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					
2004	\$ 11,390,000	\$ -	\$ 11,390,000	0.77%	0.30%	203	
2005	9,400,000	-	9,400,000	0.62%	0.28%	167	
2006	7,450,000	-	7,450,000	0.46%	0.19%	132	
2007	5,535,000	-	5,535,000	0.34%	0.14%	98	
2008	3,660,000	-	3,660,000	0.21%	0.09%	65	
2009	1,815,000	-	1,815,000	0.10%	0.05%	31	
2010	-	-	-	0.00%	0.00%	0	
2011	-	-	-	0.00%	0.00%	0	
2012	-	-	-	0.00%	0.00%	0	
2013	-	-	-	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, 2013

<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	\$ 46,788,552	100.0%	\$ 46,788,552
City of Rocky Mount:			
Sanitary Sewer	-	100.0%	-
Water	-	100.0%	-
<b>Total Direct Debt</b>	<u>46,788,552</u>		<u>46,788,552</u>
 Overlapping Debt			
Edgecombe County:			
School	9,270,000	16.0%	1,483,200
Non General Obligation	24,422,021	16.0%	3,907,523
Water & Sewer	10,418,000	16.0%	1,666,880
Water & Sewer Bond			
Anticipation Notes	3,615,000	16.0%	578,400
Nash County Non Gen Obligation	<u>36,650,700</u>	84.0%	<u>30,786,588</u>
<b>Total Overlapping Debt</b>	<u>84,375,721</u>		<u>38,422,591</u>
 Total direct and overlapping debt	<u>\$ 131,164,273</u>		<u>\$ 85,211,143</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)

	Fiscal Year									
	<u>2004</u>	<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>
Debt Limit	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224
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 2013**

Assessed Value	\$3,902,797,878
Debt Limit (8% of total assessed value) (1)	312,223,830
Debt applicable to limitation: Total outstanding bonded debt at 6/30/13	-
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	\$312,223,830

Notes:

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PLEDGED REVENUE COVERAGE - WATER & SEWER**

Last Ten Fiscal Years

<b>Sewer Bonds</b>										
Fiscal Year	Operating			Debt Service Requirements <sup>3</sup>			Coverage			
	Revenues <sup>1</sup>	Expenses <sup>2</sup>	Service	Principal	Interest	Total	Principal	Interest	Total	
	Revenue Available for Debt	Net Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	
2004	\$ 8,165,031	\$ 7,498,657	\$ 666,374	\$ 1,152,305	\$ 347,716	\$ 1,500,021				44.42%
2005	8,882,052	8,131,250	750,802	1,132,389	298,743	1,431,131				52.46%
2006	9,964,897	8,016,527	1,948,370	1,109,627	248,918	1,358,545				143.42%
2007	10,338,983	7,853,047	2,485,936	1,089,711	200,094	1,289,805				192.74%
2008	10,080,443	7,592,426	2,488,017	1,066,949	152,147	1,219,096				204.09%
2009	10,423,414	8,013,800	2,409,614	1,049,878	104,134	1,154,012				208.80%
2010	11,905,105	8,687,319	3,217,786	1,032,807	51,640	1,084,447				296.72%
2011	11,583,117	8,723,797	2,859,320	-	-	-				100.00%
2012	11,527,253	8,908,585	2,618,668	-	-	-				100.00%
2013	11,646,767	8,985,223	2,661,544	-	-	-				100.00%

<b>Water Bonds</b>										
Fiscal Year	Operating			Debt Service Requirements <sup>3</sup>			Coverage			
	Revenues <sup>1</sup>	Expenses <sup>2</sup>	Service	Principal	Interest	Total	Principal	Interest	Total	
	Revenue Available for Debt	Net Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	Revenue Available for Debt	
2004	\$ 8,225,032	\$ 6,359,717	\$ 1,865,315	\$ 872,695	\$ 263,342	\$ 1,136,037				164.19%
2005	8,546,505	6,549,732	1,996,773	857,611	226,252	1,083,864				184.23%
2006	9,282,651	6,811,286	2,471,365	840,373	188,517	1,028,890				240.20%
2007	9,364,583	7,265,761	2,098,822	825,289	151,541	976,830				214.86%
2008	9,253,396	7,299,076	1,954,320	808,051	115,228	923,279				211.67%
2009	9,303,231	8,393,020	910,211	795,122	78,866	873,988				104.14%
2010	11,350,851	7,585,141	3,765,710	782,193	39,110	821,303				458.50%
2011	11,616,043	7,716,163	3,899,880	-	-	-				100.00%
2012	10,245,040	7,691,892	2,553,148	-	-	-				100.00%
2013	10,278,632	7,160,106	3,118,526	-	-	-				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		Rocky Mount MSA(a)		Rocky Mount MSA(a) Per		Rocky Mount MSA(a)		Rocky Mount MSA(a)	
	Population (1)	Personal Income (Millions) (2)	Capita Income (2)	Unemployment Rate (3)	Retail Sales (Millions) (4)					
2003	56,209	\$ 3,644	\$ 25,245	9.5%	\$ 1,060.7					
2004	56,136	3,838.2	26,464	8.5%	1,112.5					
2005	56,309	3,946.0	27,116	7.5%	1,173.5					
2006	56,290	4,180.0	28,579	6.7%	720.5					
2007	56,364	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	not available	not available	13.2%	704.3					
2013	56,650	not available	not available	13.3%	not available					

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

(a) Metropolitan Statistical Area

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank	Percentage of Total MSA (a)
Hospira	3,000	1	4.98%	2,300	2	3.62%
Nash Rocky Mount Schools	2,275	2	3.78%	2,500	1	3.93%
Cummins-Rocky Mount Engines	1,800	3	2.99%	1,100	4	1.73%
Nash Health Care Systems	1,600	4	2.66%	1,725	3	2.71%
CenturyLink/ Sprint	1,000	5	1.66%			
Universal Leaf	800	6	1.33%	1,100	5	1.73%
West Customer Management Group	800	7	1.33%			
McLane North Carolina	575	8	0.96%	625	8	0.98%
Kaba Ilco Corporation	495	9	0.82%	670	7	1.05%
CSX Transportation	400	10	0.66%			
PNC Bank (Formerly RBC)				950	6	1.49%
Honeywill				360	9	0.57%
Fawn Industries				350	10	0.55%
	<u>9,745</u>		<u>16.19%</u>	<u>9,380</u>		<u>14.75%</u>

Source: Employment Security Commission  
(a) Metropolitan Statistical Area

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	103	101	106	105	105	102	112	112	114	108
Public Safety										
Police	175	184	193	191	195	206	223	200	197	191
Fire	136	136	133	133	148	146	144	142	142	143
Public Works	101	104	104	103	108	105	103	100	92	91
Engineering	24	24	23	25	24	25	25	25	25	25
Parks & Recreation	58	58	61	66	63	66	64	66	67	65
Public Service	2	2	2	4	4	4	4	4	2	2
Economic Development	25	23	20	20	22	22	24	20	17	16
Electric	53	54	58	59	63	64	67	69	69	64
Gas	20	21	21	18	19	20	19	18	18	19
Water	62	62	62	55	62	61	62	47	46	47
Sewer	27	27	25	27	24	24	24	37	35	37
Storm Water	32	32	33	31	34	37	38	39	39	37
<b>Total</b>	<b>818</b>	<b>828</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>

Source: Finance Department

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2004</u>	<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>
Police										
Physical arrests	9,221	8,911	8,270	11,367	10,985	11,524	12,030	12,281	11,730	9,704
Traffic violations	6,655	5,963	4,114	6,741	6,381	10,073	10,137	10,570	7,241	7,397
Fire										
Number of calls answered	6,442	7,050	7,750	7,679	8,238	8,982	9,346	9,630	9,927	9,478
Inspections	2,686	2,862	2,957	2,361	2,174	2,491	2,385	2,009	2,444	1,996
Water										
Number of meters	26,379	26,915	24,700	24,998	25,172	24,314	24,364	24,927	24,441	24,239
Avg daily consumption (millions of gallons)	11.9	11.9	11.3	11.5	10.11	9.41	10.04	10.44	9.67	9.19
Peak daily consumption (millions of gallons)	16.0	17.0	16.4	13.5	15	15.99	16.39	16.00	15.07	13.71
Wastewater										
Avg daily sewer treatment (millions of gallon)	12.4	12.4	10.2	12.8	8.5	9.9	11.47	9.33	10.51	10.39

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2004</u>	<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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	60	58	58	42	51	51	58	59	63	57
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Public Works										
Streets (miles)	270	272	268	263	281	283	284	284	284	284
Streetlights	6,957	6,957	6,957	6,850	6,913	6,919	6,830	6,830	6,949	7,073
Recreation and Parks										
Parks	46	46	41	41	41	41	41	41	41	41
Acreege	481	481	473	473	473	473	473	473	473	473
Swimming Pools	1	1	2	2	2	2	2	2	2	2
Tennis Courts	30	30	37	34	37	37	37	36	36	36
Recreation centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	360	360	461	473	480	480	480	489	492	492
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	11	11	11	10	10	10	9.25	9.25	10	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	680	429	687	720	734	735	733	733	741	742