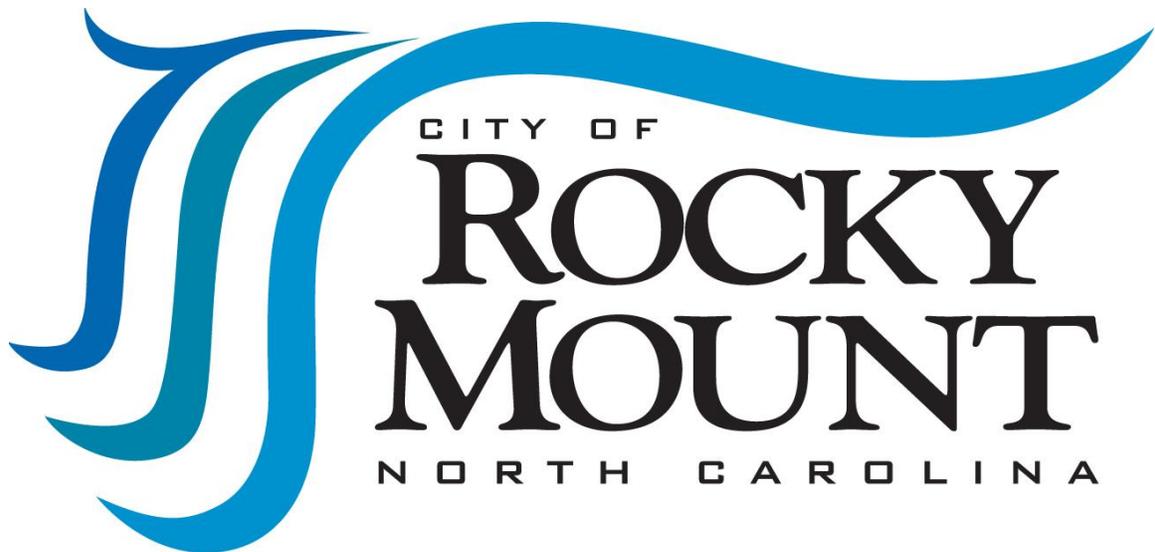


Comprehensive Annual Financial Report

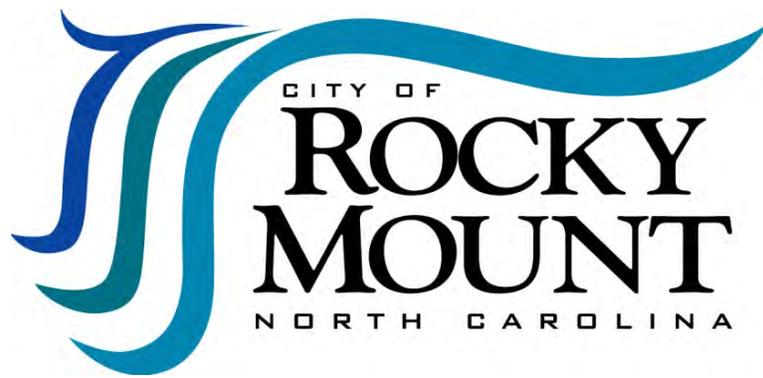


Fiscal Year Ended June 30, 2014

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014**

TABLE OF CONTENTS

		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	1-10
	GFOA Certificate of Achievement for Excellence in Financial Reporting	11
	Organizational Chart	12
	List of Principal Officials	13
	Financial Section:	
	Independent Auditor's Report	14-16
	Management's Discussion and Analysis	17-35
<u>Exhibit</u>	Basic Financial Statements:	
	Government-Wide Financial Statements:	
A	Statement of Net Position	36-37
B	Statement of Activities	38-39
	Fund Financial Statements:	
C	Balance Sheet - Governmental Funds	40-41
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	42
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities	43
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	44-45

**CITY OF ROCKY MOUNT, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements (continued):	
G	Statement of Net Position - Proprietary Funds	46-47
H	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	48-49
I	Statement of Cash Flows - Proprietary Funds	50-53
J	Statement of Fiduciary Net Position - Fiduciary Funds	54
	Notes to the Financial Statements	55-96
<u>Schedule</u>		
	Required Supplemental Financial Data:	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	97
A-2	Other Post-Employment Benefits - Required Supplementary Information	98
	Supplementary Information:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	99-108
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	109
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
	Nonmajor Special Revenue Funds:	
D-1	Combining Balance Sheet	111-112
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113-114

**CITY OF ROCKY MOUNT, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Special Revenue Funds (continued):	
D-3	Public Transportation Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
D-4	Entitlement Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
D-5	Crime/Safety Control Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
D-6	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
D-7	Emergency Management Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
D-8	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	120
D-9	Occupancy Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	121
	Nonmajor Capital Project Funds:	
E-1	Combining Balance Sheet	122
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	123
E-3	General Capital Projects - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	124
E-4	General Capital Development Projects - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	125

**CITY OF ROCKY MOUNT, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Enterprise Funds:	
F-1	Electric Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	126
F-2	Gas Operating Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	127
F-3	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	128
F-4	Sewer Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	129
F-5	Stormwater Management Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	130
	Internal Service Fund:	
G-1	Risk Management - Schedule of Revenues, Expenditures, and and Changes in Fund Balance - Financial Plan and Actual (Non-GAAP)	131
	Agency Funds:	
H-1	Combining Statement of Changes in Assets and Liabilities	132
	Other Supplemental Schedules:	
I-1	General Fund - Schedule of Ad Valorem Taxes Receivable	133
I-2	Analysis of Current Tax Levy -	134
I-3	Schedule of Interfund Transfers	135-136

**CITY OF ROCKY MOUNT, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Capital Assets Used in the Operation of Governmental Funds:	
J-1	Comparative Schedule by Source	137
J-2	Schedule by Function and Activity	138-139
J-3	Schedule of Changes by Function and Activity	140
	Statistical Section:	
	Net Position by Component, Last Ten Fiscal Years	141
	Changes in Net Position, Last Ten Fiscal Years	142-143
	Fund Balances of Governmental Funds, Last Ten Fiscal Years	144
	Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	145-146
	General Governmental Expenditures by Function, Last Ten Fiscal Years	147
	General Governmental Tax Revenues by Source, Last Ten Fiscal Years	148
	General Governmental Revenues by Source, Last Ten Fiscal Years	149
	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	150
	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	151
	Principal Property Tax Payers, Current Year and Nine Years Ago	152

**CITY OF ROCKY MOUNT, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Property Tax Levies and Collections, Last Ten Fiscal Years	153
Electric Utility Revenue Rates, Fiscal Year 2012-2013	154
Electric Utility Revenue Rates, Last Ten Fiscal Years	155-156
Principal Electric Revenue Payers by Business Type, Current Year and Nine Years Ago	157
Electric Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	158
Electric Fund Revenues by Source, Last Ten Fiscal Years	159
Electric Fund User Charges, Last Ten Fiscal Years	160
Gas Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	161
Gas Fund Revenues by Source, Last Ten Fiscal Years	162
Gas Fund User Charges, Last Ten Fiscal Years	163
Water Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	164
Water Fund Revenues by Source, Last Ten Fiscal Years	165
Water Fund User Charges, Last Ten Fiscal Years	166

**CITY OF ROCKY MOUNT, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Sewer Fund Revenues, Expenses, and Net Income, Last Ten Fiscal Years	167
Sewer Fund Revenues by Source, Last Ten Fiscal Years	168
Sewer Fund User Charges Last Ten Fiscal Years	169
Stormwater Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	170
Stormwater Fund Revenues by Source, Last Ten Fiscal Years	171
Stormwater Fund User Charges, Last Nine Fiscal Years	172
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	173
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	174
Computation of Direct and Overlapping, Bonded Debt as of June 30, 2013	175
Computation of Legal Debt Margin Last Ten Fiscal Years	176
Pledged Revenue Coverage - Water and Sewer, Last Ten Fiscal Years	177
Demographic and Economic Statistics, Last Ten Fiscal Years	178
Principal Employers, Current Year and Nine Years Ago	179

**CITY OF ROCKY MOUNT, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Full-Time Equivalent City Government Employees by Function, Last Ten Fiscal Years	180
Operating Indicators by Function/Program, Last Ten Fiscal Years	181
Capital Assets Statistics by Function, Last Ten Fiscal Years	182

INTRODUCTORY SECTION

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





October 9, 2014

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, 2014.

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, 2014 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, 2014 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 pages 44-45 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 110. 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 126.

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 16th 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 10.2% as of June 30, 2014 compared to last year's rate of 13.3%. While current economic growth in Rocky Mount does lag behind other parts of the state and nation, one cannot ignore the positive signs of activity taking place throughout the City and local area. The reduction in the unemployment rate supports that positive growth.

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 completion of the new quality and analytical testing laboratory for pharmaceutical manufacturer, Hospira. Hospira is a leading provider of injectable medicines and infusion technologies located in Rocky Mount. The construction of the quality laboratory was made possible, in part, by local and state incentives, including a State grant from the One North Carolina fund. Part of Hospira's more than \$200 million investment in Rocky Mount, which includes significant capital investments, this new, state-of-the-art quality laboratory will be home to 200 employees, responsible for evaluating and testing more than 450 different products. The laboratory features the latest technology and advancements in quality and analytical testing and inspection. With the opening of the new laboratory, Hospira has added nearly 200 additional jobs to bring the total number of employees to more than 2,600 employees in Rocky Mount.

Also, Nutkao USA, Inc. has recently broke ground on a new 100,000 square foot building at the Whitaker Business and Industry Center and plans to create about 75 jobs and invest more than \$17 million over the next several years in the Rocky Mount area. Nutkao USA, Inc. is an Italian-based international company that produces hazelnut butter spreads, cocoa and cocoa/nut spreads and milk and dark chocolate spreads. The hazelnut spread market is a growing sub-category of peanut butter throughout the United States. A preliminary economic assessment of the project shows that it has the potential to generate 300 new jobs over five years, when local suppliers and contractors are combined with the full-time jobs at the plant. An economic assessment of the projects shows potential for \$82 million in direct and indirect spending over the five year period based on reports by the Carolinas Gateway Partnership. The project is made possible in part by a performance-based grant from the One North Carolina Fund.

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. The Rocky Mount property consists of 340,000 square feet of office, manufacturing, and warehouse space on 33 acres. Acme United has consolidated two distribution centers in the facility, and plans to add employees for manufacturing, distribution, and growth. The company plans to invest over \$500,000 in costs to upgrade the building and equipment and plans to employ 90 workers. The company has received a Building Reuse Grant from Edgecombe County and the North Carolina Department of Commerce. The grant is in the form of a promissory note that will be forgiven based on job growth in Rocky Mount.

A new business called Carolina Innovative Food Ingredients plans to locate in Nash County, specializing in producing high-quality food grade dehydrated and juiced fruit and vegetable products. The business is a new venture of Universal Corp., the parent company of Universal Leaf North America U.S. Inc. With a two year period, the company plans to invest approximately \$20 million in a new juice and dehydration facility that will be located near Universal Leaf's manufacturing facility in Nash County. The company plans to hire about 64 people and operations are expected to start during the first quarter of 2015.

The final steps have been taken for the financing structure for the construction of a new biotech building at Edgecombe Community College's Rocky Mount campus. The revenue generated by the ¼ cent sales tax referendum that was approved by Edgecombe County voters will help to 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, Nash Health Care, Rocky Mount's hospital has built a new emergency department and heart center which is part of a \$57 million project which represents the most significant building expansion the hospital has experienced since the facility opened in 1971. The expansion which included a new three level building has the new emergency department located on the ground floor and the Nash Heart Center occupies the second and third levels. The new emergency department has 54 treatment areas compared to 34 in the old facility. The new emergency department will have a 90,000 patient capacity compared to the former building which was built to serve 40,000 patients a year but was treating more along the lines of 65,000. The new emergency department features a separate entrance and specialized area for pediatric patients. The new heart center features the most innovative cardiac catheterization suite technology available, including a fully integrated imaging system. Additional plans include building a new Women's Center for an investment of \$25 million. The Women's Center will include labor and delivery rooms, gynecological surgery and birthing suites. The hospital will be hiring additional nurses and physicians as part of the expansions. Nash Health Care recently signed a management services agreement with UNC Health Care which will allow the hospital to acquire managerial and operational resources from UNC Health Care. While the agreement does not involve any sale or exchange of assets, it is believed that it will help Nash Health Care to achieve significant costs savings and increase hospital-based clinical services for area patients which will be beneficial to the citizens of Rocky Mount.

Activity continues to spur within the City's downtown area. Southern Bank announced plans to construct a new 18,000 square foot, three-story business center building in downtown Rocky Mount. The new business center is needed as a result of recent and rapid expansion of the bank's customer base. The new business center will house the operations of both the mortgage and customer care centers that support all Southern Bank markets in North Carolina and Virginia. Bank officials identified Rocky

Mount as a flagship market for their bank, and they are proud to make the investment in the Rocky Mount downtown community. Other exciting news includes plans to transform an abandoned mill which is located on the shores of the Tar River less than a mile from downtown Rocky Mount into North Carolina's first craft beer incubator in Rocky Mount. Capital Broadcasting Co, which owns the old Rocky Mount Mills, decided to develop the former textile mill into a future brewery called the Rocky Mount Brewmill. The project will include applications to the State Historic Preservation Office and the National Park Service which will outline the vision for the physical aspects of the site. Phase 1 of the project will include renovation to the receiving warehouse and the main mill located on the site. The renovation will include eight small breweries, which are between 1,000 to 2,000 barrels annually. They will work with Nash Community College to host some of the coursework related to the brewing, distillation, and fermentation program and the malting facility. It is estimated that phase 1 will take between 12 to 18 months for completion once the construction is approved to begin. The Brewmill will serve as an incubator for startup craft breweries, a facility for growing breweries, a school for those who want to be in the industry and a residential area for people who work on the Brewmill campus. The vision is for the Rocky Mount Brewmill to become a place where people will want to live, work, and play, and it will serve to cultivate craft beer, artisan crafts as well as offer other opportunities for the community to enjoy and appreciate the outdoors, the Tar River and good food.

Ford's Colony, a 1200 acre golf course community located in Rocky Mount, was purchased by the Halle Companies and renamed to Belmont Lake Preserve. The Belmont Lake Preserve's 18 hole championship golf course and the over 2,000 home sites are a beautiful addition to Eastern North Carolina. The company worked to construct a beautiful new 25,000 square foot club house for Belmont Lake Preserve. The club house and entertainment areas include indoor and outdoor swimming pools, fitness facility, full catering and dining facilities, and tennis courts. The City has coordinated additional infrastructure improvements, reimbursed by the Halle Companies, that were necessary as part of the recent construction expansion. The Belmont Lake Preserve property is conveniently located just minutes off of I-95 and includes an 80 acre private lake. This investment project is a beneficial addition to the local community.

The City of Rocky Mount has excellent facilities to accommodate sporting events and the local economy is benefiting from the use of these facilities. The City was awarded the rights to the USA South's spring sports championships which began in 2013 and will continue through the 2015 spring season. The spring festival features the softball, men's golf, women's lacrosse, men's and women's tennis, tournaments and regular season baseball games. Events like these have a significant economic impact to the community. Dunham's Sports, a national sporting goods chain based in the Midwest opened a new store in Rocky Mount this past year, filling a vacant spot at the City's Golden East Crossing Mall. The new store offers a full line of traditional sporting goods and athletic equipment, as well as a wide variety of active and casual sports apparel and footwear. 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 is very beneficial to Rocky Mount. Dunham's Sports also has an expanded hunting department and golf shop to provide for those outdoor activities as well, which is beneficial to the community who participate in golf and hunting activities.

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

In January 2014, the City of Rocky Mount was selected to participate in the Obama Administration Strong Cities, Strong Communities (SC2) Initiative. President Obama established SC2 in 2011 as an innovative and flexible program designed to strengthen local capacity, coordinate federal investments, and spark growth in economically distressed communities. The SC2 Initiative was developed through engagement with mayors, members of Congress, foundations, nonprofits and other community partners who are committed to addressing the challenges facing local governments as they work to create economic opportunity for all residents. Federal inter-agency expert teams will be deployed to work alongside city leadership, community organizations, local businesses and philanthropic foundations to support the city's visions for economic growth and development. The primary goal is to help the city more effectively invest existing resources, provide advice and expertise in support of local priorities, better align federal programs and investments, and facilitate new partnerships and peer learning opportunities. For Rocky Mount, being selected to participate in the SC2 Initiative is happening at the most opportune time since the City is in the implementation phase of the Twin County visioning and strategic planning process and a housing study are currently underway. This initiative will not only strengthen the community now, but it will pave the way for lasting relationships with federal government officials. The residents of Rocky Mount, Nash and Edgecombe counties will see the benefits of this initiative. This and all the other new developments that have been presented above will create an economic impact to Rocky Mount that is expected to help grow the economy. These developments point towards renewed optimism for economic success on many levels in the area, and they also serve as indicators of the changing face of opportunity to create jobs for local residents.

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. Rocky Mount's Central City-focused initiatives of the past two decades have set the groundwork for the redevelopment of downtown Rocky Mount. Significant redevelopment work has been dedicated to the Douglas Block, a historic downtown area which included a budget of over \$10 million with funding provided by federal grants, a federal Section 108 loan which is being paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. The Douglas Block continues to expand as more residential and commercial tenants are occupying the spaces within the renovated buildings, and the new Prime Smokehouse restaurant which was renovated and opened last year continues to bring more customers to the downtown area and has generated much success in a short period of time. Continued emphasis on critical work for the downtown area includes the transformation of the roof grant program into the Downtown Building Assistance Program, which provides matching funds for business and property owners to repair, renovate, and upfit properties for active business use within the downtown area.

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

The City continues to focus efforts on community reinvestment projects and has included funds in the City's Capital Improvement Program (CIP) budget. The goal is to improve neighborhoods and foster enhanced economic opportunity for distressed local residents. The City is continuing with the plan for neighborhood redevelopment projects. The project involves redevelopment through stabilization of the central city neighborhoods. Redevelopment will consist of purchasing property and demolishing structures to make way for new development. The project has a budget of approximately \$770,000 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 2015 budget to the City's ongoing energy efficiency and weatherization efforts. In addition, the City has several large facility improvements that are in the CIP budget. 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 Phase 1 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. Additional work is planned in future years.

The City is nearing completion of the construction of a second Point of Delivery Station (POD) for the electrical system. The project includes the new construction of the 2nd 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 has completed 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 was approximately \$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.

The City experienced a reduction in criminal activity and a reduction in the crime rate for a 3rd consecutive year, dropping our overall crime rate to a level unseen for the City since the mid-1980's. Street and stormwater crews responded timely and effectively to several incidents of severe weather throughout the past year, including heavy rains and multiple snowfalls. Solid Waste operations included the implementation of the distribution of rollout carts for residential recycling to allow for biweekly collection. Electric, gas, water, and sewer utilities continued to identify potential market expansion and facilitated economic development opportunity and enhanced efficiency and responded effectively to system challenges.

The City entered the year with a commitment to fulfill obligations and pursue significant initiatives and opportunities while balancing uncertainty in costs and sources of revenues. There were improvements to ad valorem taxes and sales tax revenues. The implementation of the Tax and Tag Together program initiated by the North Carolina DMV this past year enabled higher rates of collection of vehicle taxes when owners renew their registrations, which generated increases in vehicle tax revenues and was expected to have a significant impact in the first year of implementation. Continued efforts were made by staff to reduce operating costs and delay projects as needed to reduce spending and build reserves. The expenditure reduction actions included the holding of 51 vacant positions, limiting increases in operating costs, eliminating requests for new vehicle purchases, in addition to reducing CIP debt-funded expenditures in order to reduce the impact of debt payments in the coming years, and deferrals of capital projects. 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 2015 budget does include provisional funding to cover the salary and benefit costs for “pay for performance” increases from 2.5% - 4.0% for all eligible full time employees. The “pay for performance” is critical to recognize the dedication and service of our employees. The 2015 budget also provides funding for implementation of a 3% increase in the salary and wage levels established by the pay grades. This will help increase starting pay for vacant positions, enabling the City to be more attractive in recruiting talent to take over for anticipated growth in retirements and promotions. The 2015 budget also includes funding for implementation of a 2% across the board increase for all employees with at least one year of service, taking effect January 1, 2015. 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. Last year, the City hired a financial advisor 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 event center in the downtown area has been completed and an econometrics study has been performed to provide information on expected job creation. Additional discussion is forthcoming related to what steps should be taken related to the event center project. Other goals and objectives of City Council are a youth employment program, the citywide distribution of residential recycling rollout carts, transitioning recycling pickup to a biweekly basis, completion of the Parks & Recreation master plan and increased funding for part-time and overtime wages in the department in order to fully fund staffing costs for City participation and assistance with community events and activities, including well-received teen programs, 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 0.05%.

All of the City's investments at June 30, 2014 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2014, the City's cash resources were invested as follows:

Cash on hand	\$ 11,975	.01%
Cash in traditional bank accounts	7,912,747	10.82%
Lease escrow funds	4,238,316	5.79%
North Carolina Capital Management Trust	<u>60,976,939</u>	83.38%
Total	<u>\$ 73,139,977</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 on the level dollar closed method basis. The remaining amortization period at December 31, 2013 was 17 years.

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

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 7.07% for employees not engaged in law enforcement and 7.28% for law enforcement officers. The State announced that the employer contribution rates for fiscal year 2015 would remain at 7.07% for employees not engaged in law enforcement and increase to 7.41% 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, 200 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2013 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, 2013 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

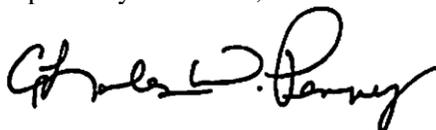
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twentieth consecutive year 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.

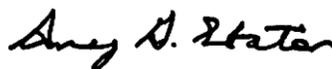
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2013. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

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

Respectfully submitted,



Charles W. Penny
City Manager



Amy G. Staton
Finance Director



Government Finance Officers Association

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

Presented to

**City of Rocky Mount
North Carolina**

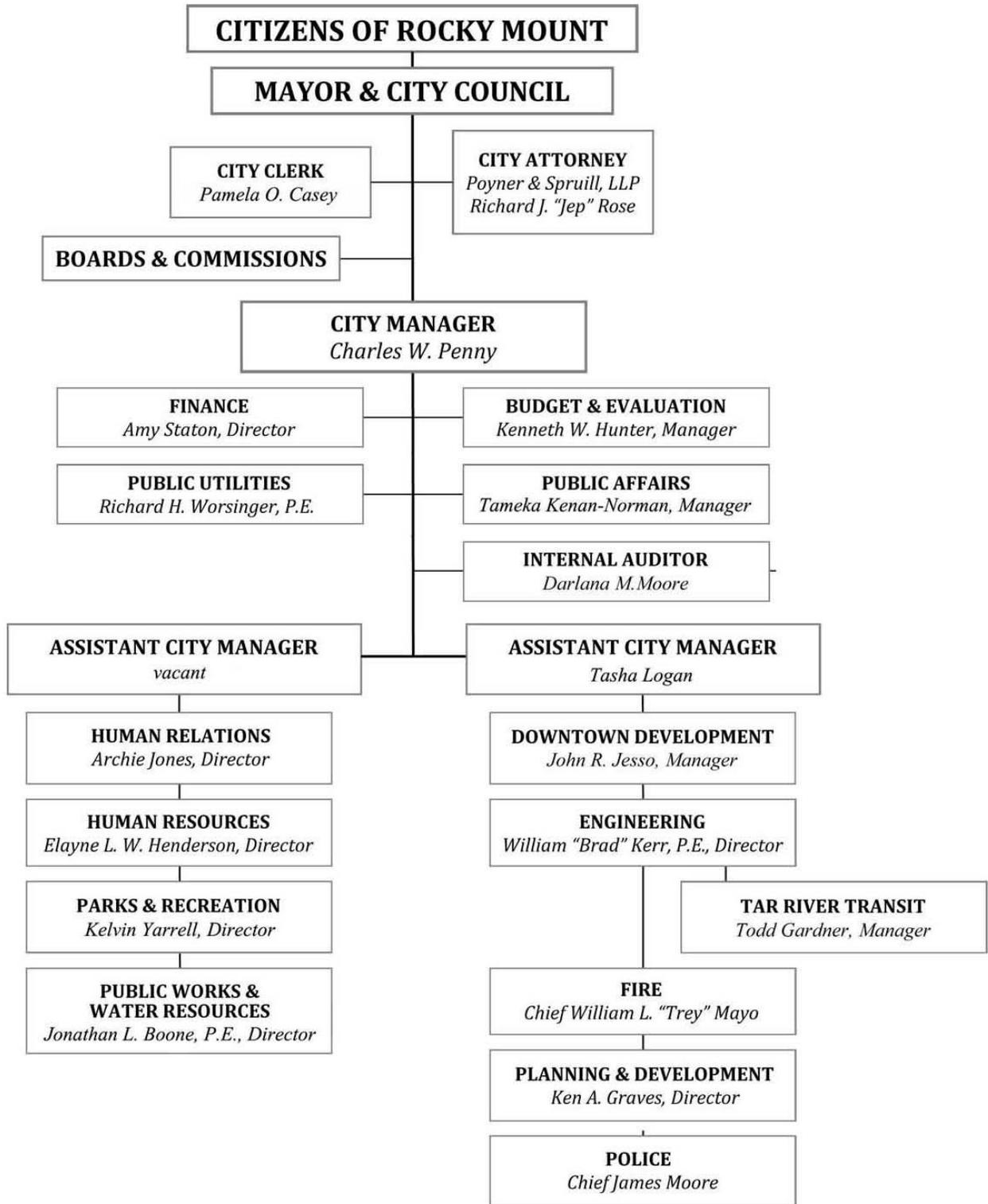
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Organization Chart



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2014

CITY COUNCIL

David W. Combs, Mayor

Andre D. Knight, Mayor Pro-tem

Reuben C. Blackwell, IV

Lamont Wiggins

Lois Watkins

Tom Rogers

W.B. Bullock

Chris Carroll Miller

CITY ADMINISTRATION

Charles W. Penny, City Manager

Tasha D. Logan, 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, 2014, 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 financial 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, 2014, 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, the supplemental ad valorem tax schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, the supplemental ad valorem tax schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2014 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 9, 2014



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, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory Section and begins on page 1.

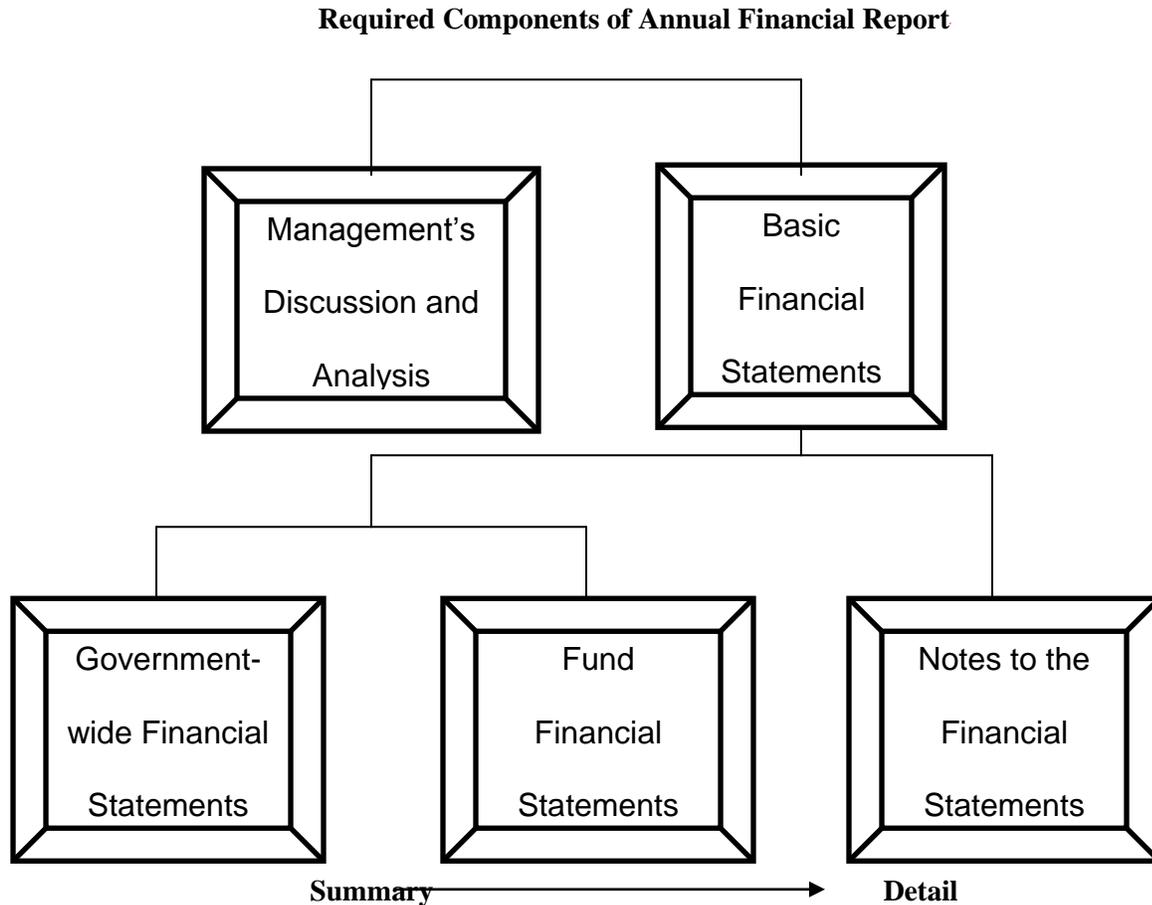
Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$305,432,104 (net position). The net position of the governmental activities is \$127,998,705 and the net position of the business-type activities is \$177,433,399.
- The government's total net position grew by 6.11% or an increase of \$17,598,430 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 \$30,777,861, an increase of \$2,086,658 from the prior year. Approximately, 47% of this total amount or \$14,594,213 is non-spendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of \$177,433,399, an increase of \$8,090,752.
- At the end of the current fiscal year, total unassigned fund balance for the General fund was \$12,321,582, or 23% 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 36 through 39) 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 40 through 54) 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 was listed as a component unit as of June 30, 2014 and is shown in the exhibits, but it was dissolved as of December 31, 2013.

The government-wide financial statements are on pages 36 through 39.

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 55 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 97 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 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Current and other assets	\$ 42,183,562	\$ 40,272,387	\$ 63,110,868	\$ 59,054,440	\$105,294,430	\$ 99,326,827
Capital assets	120,595,828	113,616,301	148,712,426	148,156,453	269,308,254	261,772,754
Total assets	162,779,390	153,888,688	211,823,294	207,210,893	374,602,684	361,099,581
Long-term liabilities	24,651,588	25,763,782	20,675,270	23,772,451	45,326,858	49,536,233
Other liabilities	10,000,309	9,528,866	13,714,625	14,095,795	23,714,934	23,624,661
Total liabilities	34,651,897	35,292,648	34,389,895	37,868,246	69,041,792	73,160,894
Deferred inflows of resources	128,788	105,013	-	-	128,788	105,013
Net position:						
Net investment in capital assets	101,937,388	93,284,378	131,834,630	129,112,028	233,772,018	222,396,406
Restricted	11,415,537	14,204,158	-	-	11,415,537	14,204,158
Unrestricted	14,645,780	11,002,491	45,598,769	40,230,619	60,244,549	51,233,110
Total net position	\$ 127,998,705	\$ 118,491,027	\$ 177,433,399	\$ 169,342,647	\$305,432,104	\$287,833,674

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 \$305,432,104 as of June 30, 2014. The City's net position increased by \$17,598,430 for the fiscal year ended June 30, 2014. 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, 4% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 19% may be used to meet the government's ongoing obligations to citizens and creditors.

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

- There are three components of net position: net investment in capital assets, restricted, and unrestricted. There was an increase of \$11,375,612 in the category of net position for net investment in capital assets. The increase in net investment in capital assets represents 6% of total current year expenses. A significant reason for the increase in net investment in capital assets is related to the transfer of capital assets from the component unit, City of Rocky Mount Theatre, LLC to the primary government, in the amount of \$8,033,079. Another reason the net investment in capital assets increased in total is related to a reduction in outstanding debt of

approximately \$6,228,950 related to capital assets and there was a reduction of unspent lease escrow of approximately \$2,388,837 related to capital assets compared to the prior year. These factors combined to result in an overall increase of \$11,375,612 in net investment in capital assets. Compared to the prior year, restricted net position decreased by \$2,788,621 which is the result of a reduction in both the amounts restricted by State statute due to a decrease in grant receivables and a change in the reporting for the amount restricted for capital projects, while there was an increase in the amount restricted for Powell Bill, which resulted in an overall reduction in restricted net position of \$2,788,621. The unrestricted net position increased by \$9,011,439 compared to the prior year. Since total net position grew by \$17,598,430 or 9% of total current year expenses, the majority of the increase in net position growth is due to the growth in net investment in capital assets.

- The total increase in net position was \$17,598,430 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 \$9,333,762 more than the prior year. This was influenced by an increase in revenues in total by \$6,582,989 or 3.3% compared to the prior year and a reduction in expenses in total by \$2,750,773 or 1.4% compared to the prior year. The governmental activities saw an increase in revenues of \$891,815 while the business type activities also saw an increase in revenues of \$5,691,174. Charges for service had an increase of \$6,585,373 or 4.3% which was mainly due to increases in the business type activities, which included increases in utility revenues for the Electric and Gas funds of \$2,244,554 and \$3,340,589, respectively. There was an increase in operating grants and contributions of \$647,711 or 9.6% over the prior year which was the result of an increase in general government due to the contributions that were received related to the Belmont Lake Preserve project. There was a decrease in capital grants and contributions of \$1,236,205 or 54.2% compared to the prior year due to the completion of phase 1 of the Downtown Streetscape project and no grant funding was received for the current year.
- Ad valorem tax revenue increased by \$470,632 compared to the prior year. The tax rate in the current year is \$0.58, per \$100 of assessed value, which was the same as the prior year. The primary reason for the increase in tax revenue for the current year compared to the prior year is the result of the implementation of the Tax and Tag program initiated by the North Carolina Division of Motor Vehicles this past year. It provides a higher rate of collection of vehicles taxes when owners renew their registrations, which generated increases in vehicle tax revenues, which was expected in the first year of implementation.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.22% for property excluding motor vehicles, which was a slight reduction compared to the prior year. The statewide average for other municipalities with an electric system and with a population of 50,000 and above is 98.33%. The statewide collection percentage is based on 2013 statewide data and is the most recent published percentage and showed an increase of 0.01%. The City continues to be slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 2.11% of the statewide average which was a slight decline to the prior year difference. 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 2014	Governmental Activities 2013	Business-type Activities 2014	Business-type Activities 2013	Total 2014	Total 2013	City of Rocky Mount Theatre LLC 2014	City of Rocky Mount Theatre LLC 2013
Revenues:								
Program revenues:								
Charges for services	\$ 12,449,945	\$ 12,364,329	\$ 146,945,851	\$ 140,446,094	\$ 159,395,796	\$ 152,810,423	\$ -	\$ -
Operating grants and contributions	7,407,188	6,759,477	-	-	7,407,188	6,759,477	1,944,530	6,504,000
Capital grants and contributions	1,015,333	2,209,611	29,000	70,927	1,044,333	2,280,538	-	-
General revenues:								
Property taxes	23,435,908	22,965,276	-	-	23,435,908	22,965,276	-	-
Other taxes	12,943,834	12,917,613	-	-	12,943,834	12,917,613	-	-
Other	3,089,831	2,233,918	98,463	865,119	3,188,294	3,099,037	-	-
Total Revenues	60,342,039	59,450,224	147,073,314	141,382,140	207,415,353	200,832,364	1,944,530	6,504,000
Expenses:								
General government	9,044,265	6,880,948	-	-	9,044,265	6,880,948	-	-
Public safety	25,449,659	24,923,980	-	-	25,449,659	24,923,980	-	-
Parks and recreation	1,587,287	9,747,554	-	-	1,587,287	9,747,554	-	-
Public works	9,453,179	8,109,154	-	-	9,453,179	8,109,154	-	-
Engineering	814,945	915,057	-	-	814,945	915,057	-	-
Public service	5,951,988	7,798,940	-	-	5,951,988	7,798,940	-	-
Economic development	18,735	-	-	-	18,735	-	-	-
Community revitalization	860,152	2,212,833	-	-	860,152	2,212,833	-	-
Interest on long-term debt	621,151	431,995	-	-	621,151	431,995	-	-
Electric	-	-	89,711,665	88,899,652	89,711,665	88,899,652	-	-
Gas	-	-	21,752,958	19,418,313	21,752,958	19,418,313	-	-
Water	-	-	7,709,102	8,827,886	7,709,102	8,827,886	-	-
Sewer	-	-	13,223,459	11,157,497	13,223,459	11,157,497	-	-
Stormwater	-	-	3,618,378	3,243,887	3,618,378	3,243,887	-	-
Component unit	-	-	-	-	-	-	8,143,974	241,435
Total Expenses	53,801,361	61,020,461	136,015,562	131,547,235	189,816,923	192,567,696	8,143,974	241,435
Change in net position before transfers	6,540,678	(1,570,237)	11,057,752	9,834,905	17,598,430	8,264,668	(6,199,444)	6,262,565
Transfers	2,967,000	3,579,419	(2,967,000)	(3,579,419)	-	-	-	-
Change in Net Position	9,507,678	2,009,182	8,090,752	6,255,486	17,598,430	8,264,668	(6,199,444)	6,262,565
Net Position, July 1	118,491,027	116,481,845	169,342,647	163,087,161	287,833,674	279,569,006	6,199,444	(63,121)
Net Position, June 30	\$ 127,998,705	\$ 118,491,027	\$ 177,433,399	\$ 169,342,647	\$ 305,432,104	\$ 287,833,674	\$ -	\$ 6,199,444

Governmental Activities: Governmental activities increased the City's net position by \$9,507,678, representing 54% of the total addition to the City's total net position. Key elements of the current year governmental activities change in net position are as follows:

- Total revenues for governmental activities increased \$891,815 or 2% compared to the prior year. This increase in revenue is primarily the result of an increase in operating grants and contributions of \$647,711 or 10%, and a decrease in capital grants and contributions of \$1,194,278 or 54% compared to the prior year. The increase in operating grants and contributions is primarily due to the Belmont Lake Preserve project. The decrease in capital grants and contributions compared to the prior year was due to the project completion for the phase 1 of the Downtown Streetscape project and not receiving any grant funds during the year. Property tax revenue increased by \$470,632 compared to the prior year. Other revenues had an increase of \$855,913 or 38% compared to the prior year which was related to a full accrual impact of the loss on sale of assets in the prior year.
- Total expenses for governmental activities decreased \$7,219,100 or 12%. General government expenses increased by \$2,163,317 or 31% and public works expenses increased by \$1,344,025 or 17% as a result of the full accrual impact related to capital outlay for capital assets and depreciation expenses being allocated to the functions. There was the decrease in parks and recreation by \$8,160,267 or 84% for the year compared to the prior year related to expenses for the Imperial Center purchase in last year. Public service expenses decreased by \$1,846,952 or 24% primarily related to the decrease in expenses related to the Downtown Streetscape phase 1 project completion. Community revitalization expenses decreased by \$1,352,681 or 61% mainly due to operating expense reductions for those programs.

Figure 4:

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

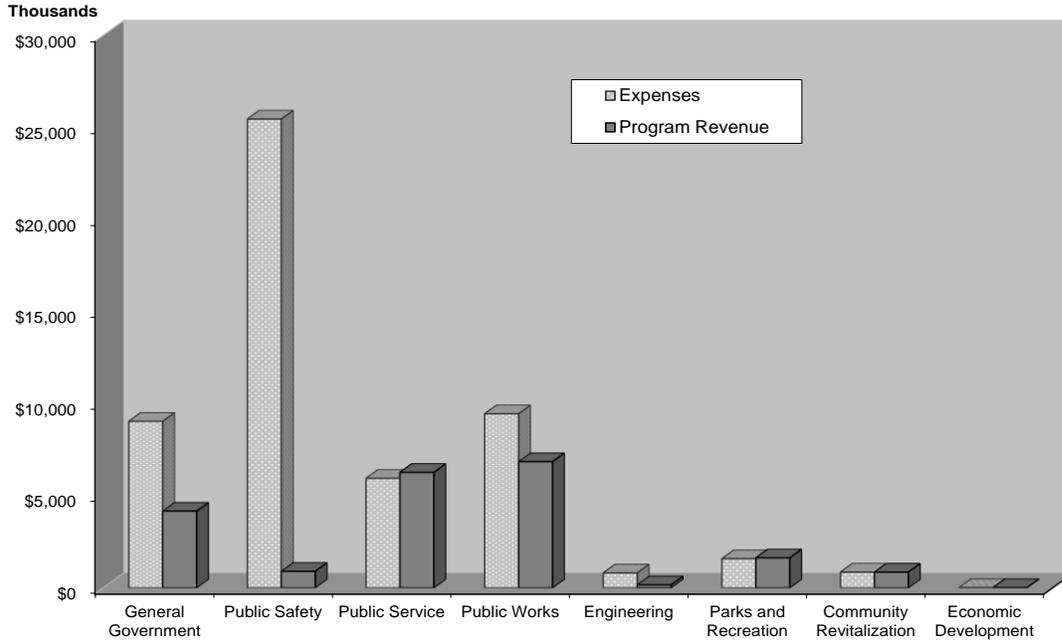
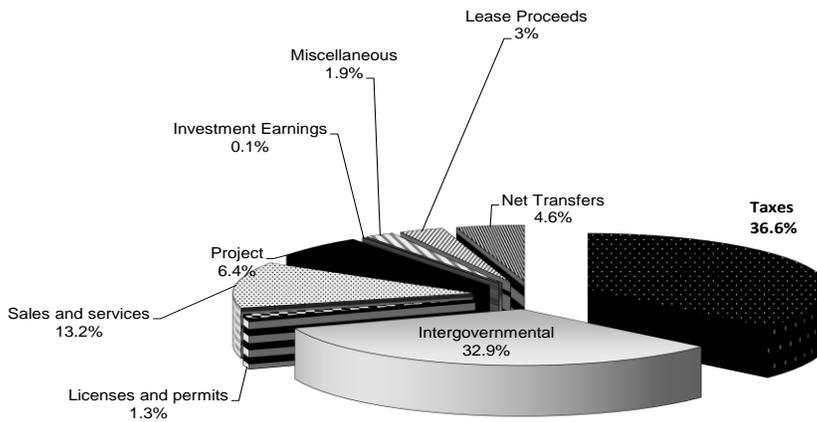


Figure 5:

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



Business-Type Activities: Business-type activities increased the City's net position by \$8,090,752, representing 46% 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 \$5,691,174 or 4% compared to the prior year. Charges for services for business-type activities increased by a combined \$6,499,757 or 5% compared to the prior year. Of this amount, electric revenue increased by \$2,244,554 or 2.5% over the prior year which is related to the \$4 per month facility fee increase to the base service charge for residential services, and similar increases for all other electric rate classes. Natural gas revenue increased \$3,340,589 or 14.3% 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. The above average cold temperatures that customers experienced during the winter months also contributed to the increased revenues that were generated in gas sales. Water revenues increased by \$642,194 or 6% due to the \$1 increase in the base retail customer charge (inside city limits) and the 5% increase in per unit consumption rates, and the increased rates for the outside city limit customers. Charges for service revenues were comparable to the prior year for sewer and stormwater. Capital grants and contributions for business-type activities decreased by \$41,927 or 59% compared to the prior year due to reduced grant funded projects in the current year.
- Expenses for business-type activities increased a combined \$4,468,327 or 3% compared to the prior year. The expenses for electric and stormwater were comparable to the prior year. Expenses for natural gas increased by 12% which was primarily the result of the increase in purchases of natural gas for resale to customers. Expenses for water decreased by 13%, due to the implementation of improvements with treatment and distribution designed to improve efficiency, ensure water quality and reduce operating costs. Expenses for sewer increased by 19% due to a reduction in capitalized capital outlay compared to the prior year.
- The business-type activities transferred net funds to the governmental funds totaling \$2,967,000. This is a decrease of \$612,419 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was an increase of \$8,090,752. All business-type operations resulted in net operating income after transfers with the exceptions of Sewer and Stormwater. The change in net position for Electric, Gas, Water, Sewer, and Stormwater was \$2,723,009, \$3,845,598, \$2,774,664, \$(1,224,752), and \$(27,767), respectively. The growth in net position for the current year was \$1,835,266 which added to the net position for the business-type activities.

Figure 6:

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

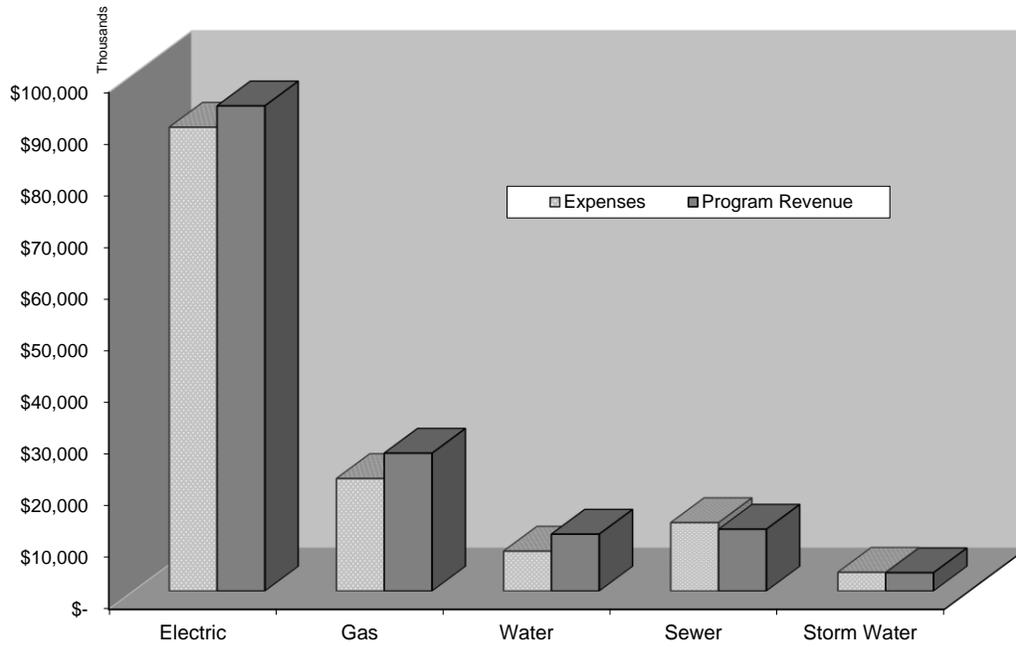
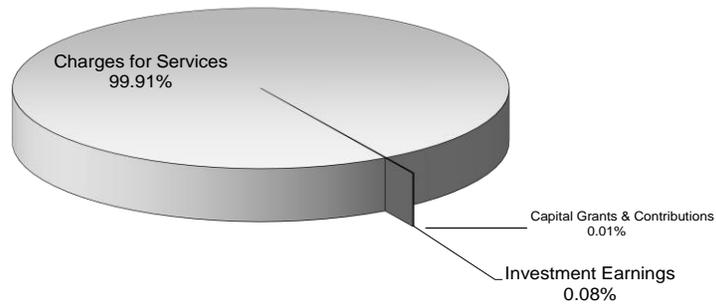


Figure 7:

**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 \$30,777,861, an increase of \$2,086,658 in comparison with the prior year. Of this amount, \$12,246,229, or 40% 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: non-spendable, 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 non-spendable is \$589,108. The current year fund balance that has been restricted is \$14,005,105. The current year fund balance that has been committed is \$696,326. The current year fund balance that has been assigned is \$3,241,093. A portion of the assigned fund balance, \$2,700,083, 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 \$12,321,582 while total General fund balance was \$26,796,364. 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 23% of total General fund expenditures, while total fund balance represents 50% of that same amount. Both increased 4% compared to the prior year.

At June 30, 2014, the governmental funds of the City reported a combined fund balance of \$30,777,861, a 7% increase over last year. Included in this change in fund balance is an increase in fund balance in the General fund by \$2,726,931 with a decrease of \$640,273 in the nonmajor governmental funds, with Special Revenue funds and Capital Project funds decreasing \$425,085 and \$215,188, respectively. The increase in the General fund is mostly attributed to the increase in tax revenue for the current year compared to the prior year as a result of the implementation of the Tax and Tag program initiated by the North Carolina Division of Motor Vehicles this past year. It provides a higher rate of collection of vehicles taxes when owners renew their registrations, which generated increases in vehicle tax revenues, which was expected in the first year of implementation. The increase in the General fund is also attributed to revenue increases in the solid waste and recycling charges compared to the prior year, which were generated from the rate increases implemented in the current year, including the \$1 per month increase in the residential rollout cart fee and the \$0.25 per month increase in the recycling fee. Within the Special Revenue funds, the fund balance for the Emergency Telephone System increased with the remaining funds decreased in fund balance, except for Economic Development which stayed the same. The fund balance in the Capital Project funds decreased in total with the General Capital Project fund showing a decrease and the General Capital Development Projects fund showing a slight increase. Levels of fund balance in Special Revenue funds and Capital Projects funds will vary as their projects transition through various project completion phases.

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

The actual operating revenues for the General fund were more than the budget amount by \$277,536. There were multiple factors contributing to the difference. Ad valorem taxes were more than budget by \$910,532 due to the increase in the vehicle taxes as a result of the implementation of the Tax and Tag program initiated by the North Carolina Division of Motor Vehicles this past year. It provides a higher rate of collection of vehicles taxes when owners renew their registrations, which generated increases in vehicle tax revenues, which was expected in the first year of implementation. Intergovernmental revenues were less than budget by \$907,888. The amount received for local option sales tax was less than the budget by \$128,908. In addition, State grants were less than budget by \$715,176 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. Sales and service revenues were more than budget by \$222,873 mainly because of increases in transfer station revenues.

The actual operating expenses for the General fund were less than the budget amount by \$8,082,419. 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 \$2,083,882. Within the general government departments, the Finance department has expenditures less than the budget of \$389,335. Much of this is related to unspent budget for damages and judgments and fuel contingency along with salary savings in the Information Systems division due to vacancies. Of this amount, \$78,873 was re-appropriated in 2015. The Central Services division has expenditures less than the budget of \$438,488 primarily due to unspent capital items in the Property Management division for City Hall projects and reduced printing costs. Of this amount, \$186,985 was re-appropriated in 2015. The Mayor and Council department has expenditures less than the budget of \$297,076 which is mainly due to the contingency budget that was not expended and legal fees which were lower than budgeted. The Planning and Development department has expenditures less than the budget of \$298,153 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 \$779,509. Of this amount, the Police Department has expenditures less than budget of \$544,882 for operating and capital items and the Fire Department has expenditures less than budget of \$234,627 primarily due to unspent reserved budget funds. The Public Works department has expenditures less than the budget of \$2,138,207 in part due to unspent capital items. Of the amount unspent on capital items, \$1,420,452 was re-appropriated in 2015. There were savings within Public Service of \$2,598,335 as a result of not spending allocated Powell Bill funds. Of this amount, \$320,280 was re-appropriated to fiscal year 2015 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 \$16,392,175 for the Electric fund, \$13,220,290 for the Gas fund, \$7,386,419 for the Water fund, \$6,900,470 for the Sewer fund, and \$1,699,415 for the Stormwater fund. The total growth of net position was \$2,723,009, \$3,845,598, and \$2,774,664 for the Electric, Gas, and Water funds, respectively. Net position was reduced by \$1,224,752 and \$27,767 for the Sewer and Stormwater funds, 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, 2014, totals \$269,308,254 (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

- City of Rocky Mount Theatre, LLC - building \$7,828,599
- City of Rocky Mount Theatre, LLC - planetarium \$197,899
- City of Rocky Mount Theatre, LLC - land \$6,581
- Street resurfacing - \$673,634
- Fire - rescue custom pumper \$537,970
- Clairmont Apartment property acquisition (727 Ravenwood) - \$390,750
- Transit - (7) 2014 Ford paratransit lift vans \$334,175
- Fire - Logistics facility \$326,073
- Streets and ROW maintenance - 2013 crane carrier LET2-46 cab chassis \$261,795
- Police - (7) 2014 Dodge Chargers \$202,233
- City Hall - air handler unit replacement #2 \$200,829
- Train Station - water heat pumps/air handler \$198,970
- Engineering - traffic signal system upgrade \$195,519
- Fire - sprinklers stations 1 and 6 \$195,320
- Environmental Services - transfer station tipping floor \$192,000
- Streets and ROW maintenance - 2014 Freightliner swaploader hooklift \$145,264
- Police - (4) 2014 Ford Taurus/(1) 2013 Ford Taurus \$142,410
- Street - 2014 John Deere 75G deertrack excavator \$107,850
- Police - air handler replacement #1 \$88,339
- Streets and ROW maintenance - 2015 International truck \$77,478
- Fire - (2) 2013 Chevrolet Tahoe \$68,240
- Streets and ROW maintenance - (2) leaf vacuum machines \$52,155

Proprietary Funds:

Additions

- Construction in progress for water - Belmont Lake Preserve Project Phase I & II \$2,106,831. Total expended over the life of the project \$2,922,392
- Gas - Main installations \$1,432,431
- Construction in progress for electric - 2nd point of delivery station & substation #8 Greyson Road \$596,851. Total expended over the life of the project \$2,880,647
- Water - rehabilitation of Airport Road/Nash Community College water tanks \$563,753
- Electric - customer site generator upgrades \$388,908
- Construction in progress for stormwater - Woodstock culvert replacement \$342,376. Total expended over the life of the project \$342,376
- Electric - 2014 International digger derrick \$222,424
- Electric - 2014 International bucket truck with aerial device \$209,593
- Construction in progress for electric - substation #9 generator \$161,564. Total expended over the life of the project \$161,564
- Electric - distribution lines transformers \$137,917
- Stormwater - 3 sided equipment shelter \$137,554
- Electric - distribution lines overhead replacement \$127,182
- Electric - (3) 72.5KV circuit breakers for point of delivery station #2/substation #8 Greyson Road \$117,700
- Electric - distribution lines underground \$114,185
- Sewer - generator upgrades \$110,168
- Water - generator upgrades \$109,146
- Electric - 230KV SF6 circuit breaker \$93,000
- Gas - meters \$89,051
- Stormwater - 2014 John Deere track excavator \$88,850
- Water - 2014 New Holland tractor/loader/backhoe \$85,497
- Sewer - sewer treatment plant street resurfacing \$81,500
- Water - 2015 International truck \$77,478
- Stormwater - 2015 International truck \$77,478
- Electric – additional distribution lines overhead \$77,461
- Sewer - 2014 New Holland wood boss tractor \$73,800
- Stormwater - 2014 Johnston compact street sweeper \$59,500

Figure 8:

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,685,345	\$ 8,518,845	\$ 2,684,187	\$ 2,684,187	\$ 11,369,532	\$ 11,203,032
Building	47,731,749	40,954,266	34,598,364	35,765,702	82,330,113	76,719,968
Improvements other than buildings	13,021,279	13,480,181	980,590	1,301,296	14,001,869	14,781,477
Machinery and equipment	11,161,220	10,559,672	23,654,281	23,780,764	34,815,501	34,340,436
Infrastructure	39,910,683	39,921,431	79,975,464	79,215,909	119,886,147	119,137,340
Construction in progress	85,552	181,905	6,819,540	5,408,595	6,905,092	5,590,500
Total Capital Assets (net of accumulated depreciation)	\$ 120,595,828	\$ 113,616,301	\$ 148,712,426	\$ 148,156,453	\$ 269,308,254	\$ 261,772,754

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, 2014, the City had installment leases outstanding of \$30,306,883. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$300,000 for the purchase of a former YMCA facility that is being used by the City for the Senior Center, and the City has debt outstanding in the amount of \$2,220,000 for a HUD loan that has been used to finance the Douglas Block redevelopment project, and debt obligations in the amount of \$1,834,203 to the North Carolina Department of Transportation for reimbursement of road improvement and construction. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities to finance the replacement and upgrade of equipment at the City's water and wastewater treatment plants and for other sewer system improvements in the amount of \$6,947,668.

Figure 9:

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Installment purchases	\$ 18,728,008	\$ 20,558,364	\$ 11,578,875	\$ 15,303,040	\$ 30,306,883	\$ 35,861,404
Other debt	4,354,203	3,550,052	-	-	4,354,203	3,550,052
Revolving Loans	-	-	6,947,668	7,377,096	6,947,668	7,377,096
Total	\$ 23,082,211	\$ 24,108,416	\$ 18,526,543	\$ 22,680,136	\$ 41,608,754	\$ 46,788,552

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$320,636,293.

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 2015.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 10.2% at June 30, 2014. This is a 3.1% reduction in the unemployment rate compared to the prior year. Recent industrial and retail development is creating a growth projection. While current economic growth in Rocky Mount does lag behind other parts of the state and nation, one cannot ignore the positive signs of activity taking place throughout the City and local area. The reduction in the unemployment rate supports that positive growth.
- In preparing the budget for 2015, the City recognized the presence of several current challenges. The expectation is that there will be continued limited revenue growth. There is uncertainty created by State changes to collection of shared tax revenues. There is an expectation of volatility with key commodity prices, such as fuel, chemicals, and building materials.
- Several sources of revenues are expected to see small to modest growth in the coming year, including ad valorem tax revenues, sales tax, and fees for services. Residential property values are stable with improved sales activity in local housing markets. While sales tax revenue is expected to increase, there is less certainty regarding revenues from utility franchise taxes, which will convert to retail sales tax collection within 2015. This component of state tax reform is supposed to result in a "hold harmless" situation.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2015, the budget increased 4% compared to the prior year original budget. The City's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property tax, interest income, and permit fees. Revenue growth for the coming year is limited to ad valorem tax revenues, sales tax, and fees for services. There is no property tax rate increase budgeted in the 2015 budget. Fees and charges for services remain stable, though the City does continue to see improvement with revenue generated by Parks and Recreation. Solid waste services provided by the Public Works department represent our largest fee-supported operation in the General fund. No additional residential rate increases are necessary in 2015, due to the rate increases that were implemented in 2014 that are sufficient to maintain service levels. However, there is a \$1 per ton increase in rates charged for use of the solid waste transfer station in order to offset increased costs of contracted disposal services. Stagnant Powell Bill revenues limit the City's ability to resurface City roads to once per two years, with another round of resurfacing scheduled to take place in fiscal year 2015. This funding is also required to cover the City match for NCDOT-funded widening projects and the recently initiated upgrading and replacement of traffic signal systems. Interest revenues continue to under perform due to historically low interest rates, a trend unlikely to change in the foreseeable future.

Budgeted expenditures in the governmental activities increased 4%. City Council's established goals and objectives serve as the guide in the City's decision making, along with the shared values of excellent public service, excellent customer service, and innovation. The expenditure reduction actions taken to balance the budget included the holding of 30 vacant positions in the General fund, limiting increases in operating costs, eliminating requests for new vehicle purchases, in addition to reducing CIP debt-funded expenditures in order to reduce the impact of debt payments in the coming years. The budget focuses available resources to continue the improvement of the City's fiscal condition and protecting reserves; to continue planning and implementation of strategic initiatives and investments designed to improve quality of life and economic development opportunities for all City residents; to affirm Rocky Mount as the leader of the Twin County Region and strengthen its position as an economic, cultural and educational center in Eastern North Carolina; to maintain competitive compensation and benefits to recruit and retain skilled and high-performing employees; and implementing service delivery innovations improving quality of service while reducing future costs. Some additional initiatives funded as part of the 2015 budget include a youth employment program, "Summer Night Lights" activities, installation of video surveillance for City Hall and the Judicial Center, full staffing of the Community Development office, continued infrastructure improvements to Booker T. Washington High School, 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. The 2015 budget does include provisional funding to cover the salary and benefit costs for "pay for performance" increases from 2.5% - 4.0% for all eligible full time employees. The "pay for performance" is critical to recognize the dedication and service of our employees. The 2015 budget also provides funding for implementation of a 3% increase in the salary and wage levels established by the pay grades. This will help increase starting pay for vacant positions, enabling the City to be more attractive in recruiting talent to take over for anticipated growth in retirements and promotions. The 2015 budget also includes funding for implementation of a 2% across the board increase for all employees with at least one year of service, taking effect January 1, 2015. In 2014, the City implemented a wellness program where employees were eligible for a discount on their health insurance premium if they participated 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. In the Police department, two additional telecommunicator positions are included in the 2015 budget in order to address staffing challenges associated with high volumes for the 911 call center. An existing frozen Police Officer position will also be transitioned into an additional Crime Analyst position as part of the Police department's efforts to better evaluate data and activity trends and improve crime reduction performance. The Environmental Services division of the Public Works department will continue with citywide distribution of residential recycling rollout carts, transitioning recycling pickup to a biweekly basis. Parks and Recreation will complete their master plan in 2015, and select part-time and overtime accounts in the department will be increased to fully fund staffing costs associated with participation and assistance with community events and activities, such as the well-received teen programs.

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

Business–Type Activities: The business-type funds’ budget decreased less than 1% for the fiscal year ending June 30, 2015. 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 has seen sales rebound some compared to prior years due in large part to recent weather conditions. Our goal for the future is to see growth in electric demand through customer growth, similar to the successes with natural gas. 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 continues to experience reduced sales due to decreases in customer accounts. No rate increases were recommended for electric, gas, and water services. Sewer outside city limits retail rates increased by 25%. The Stormwater fund includes a \$0.75 increase in the monthly per unit (ERU) Stormwater fee. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments.

Budgeted expenses for business-type activities decreased less than 1%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. The 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 4 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. The recent failure of a sewer outfall line reminded the City of the challenges inherent with maintaining an extensive underground utility system. The 2015 budget includes funding for an asset management plan encompassing water and sewer operations. Staff anticipates identification of priorities with respect to repairing and replacing decaying underground infrastructure. There is also the reallocation of an existing electric fund position into an Electric Service Technician, along with the addition of 2 positions to the gas fund to include a Regulatory Compliance Manager and a Gas Line Supervisor. These adjustments are necessary in order to maintain integrity of the system and in fulfilling regulatory compliance requirements. The City’s radio and telephone communications expenses were transferred from the electric fund into a new Internal Service fund for Communications.

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, 2014**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets:				
Current Assets:				
Cash and cash equivalents/ investments	\$ 19,482,876	\$ 39,470,113	\$ 58,952,989	\$ -
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	1,787,536	-	1,787,536	-
Taxes-other	8,927	-	8,927	-
Customers	898,273	14,386,371	15,284,644	-
Other governmental agencies	3,556,610	-	3,556,610	-
Notes receivable	-	13,084	13,084	-
Assessments	3,280,213	228,111	3,508,324	-
Other	5,541,619	131,279	5,672,898	-
Prepaid items	99,000	-	99,000	-
Inventories	490,108	2,186,201	2,676,309	-
Restricted cash and investments	<u>7,038,400</u>	<u>6,695,709</u>	<u>13,734,109</u>	<u>-</u>
Total current assets	<u>42,183,562</u>	<u>63,110,868</u>	<u>105,294,430</u>	<u>-</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	8,770,896	9,503,727	18,274,623	-
Depreciable, net	<u>111,824,932</u>	<u>139,208,699</u>	<u>251,033,631</u>	<u>-</u>
Total capital assets	<u>120,595,828</u>	<u>148,712,426</u>	<u>269,308,254</u>	<u>-</u>
Total assets	<u>162,779,390</u>	<u>211,823,294</u>	<u>374,602,684</u>	<u>-</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	2,834,505	8,836,011	11,670,516	-
Current compensation absences	2,011,209	497,447	2,508,656	-
Current maturities of long-term debt	<u>5,154,595</u>	<u>4,381,167</u>	<u>9,535,762</u>	<u>-</u>
Total current liabilities	<u>10,000,309</u>	<u>13,714,625</u>	<u>23,714,934</u>	<u>-</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	264,099	5,046,962	5,311,061	-
Accrued compensation absences	1,420,332	242,261	1,662,593	-
Long-term debt	22,967,157	15,386,047	38,353,204	-
Total noncurrent liabilities	<u>24,651,588</u>	<u>20,675,270</u>	<u>45,326,858</u>	-
Total liabilities	<u>34,651,897</u>	<u>34,389,895</u>	<u>69,041,792</u>	-
Deferred Inflows of Resources:				
Prepaid taxes	41,992	-	41,992	-
Unspent cable franchise agreement	86,796	-	86,796	-
Total deferred inflows of resources	<u>128,788</u>	-	<u>128,788</u>	-
Net Position:				
Net investment in capital assets	101,937,388	131,834,630	233,772,018	-
Restricted for:				
Stabilization by State statute	7,420,890	-	7,420,890	-
Streets	3,497,446	-	3,497,446	-
Public safety	449,421	-	449,421	-
Parks and recreation	47,780	-	47,780	-
Unrestricted	14,645,780	45,598,769	60,244,549	-
Total net position	<u>\$ 127,998,705</u>	<u>\$ 177,433,399</u>	<u>\$ 305,432,104</u>	<u>\$ -</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, 2014**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 9,044,265	\$ 1,941,273	\$ 2,225,921	\$ -
Public safety	25,449,659	265,988	635,206	-
Public works	9,453,179	6,851,520	-	-
Engineering	814,945	15,959	151,007	-
Parks and recreation	1,587,287	1,389,363	137,863	106,625
Public service	5,951,988	1,985,842	3,378,805	908,708
Economic development	18,735	-	18,735	-
Community revitalization	860,152	-	859,651	-
Interest on long-term debt	621,151	-	-	-
Total governmental activities	<u>53,801,361</u>	<u>12,449,945</u>	<u>7,407,188</u>	<u>1,015,333</u>
Business-Type Activities:				
Electric	89,711,665	93,835,654	-	-
Gas	21,752,958	26,655,662	-	-
Water	7,709,102	10,991,423	-	-
Sewer	13,223,459	11,957,654	-	-
Storm water management	3,618,378	3,505,458	-	29,000
Total business-type activities	<u>136,015,562</u>	<u>146,945,851</u>	<u>-</u>	<u>29,000</u>
Total primary government	<u>189,816,923</u>	<u>159,395,796</u>	<u>7,407,188</u>	<u>1,044,333</u>
Component Unit:				
City of Rocky Mount Theatre, LLC	8,143,974	-	1,944,530	-
Total component unit	<u>\$ 8,143,974</u>	<u>\$ -</u>	<u>\$ 1,944,530</u>	<u>\$ -</u>

General revenues:
 Taxes:
 Ad valorem taxes
 Local option taxes
 Franchise taxes
 Telecommunication taxes
 Miscellaneous
 Investment earnings
 Total general revenues
 Transfers
 Total general revenues and transfers

Change in net position

Net Position:

Beginning of year - July 1
 End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Position			
Primary Government			City of Rocky Mount Theatre, LLC
Governmental Activities	Business-Type Activities	Total	
\$ (4,877,071)	\$ -	\$ (4,877,071)	\$ -
(24,548,465)	-	(24,548,465)	-
(2,601,659)	-	(2,601,659)	-
(647,979)	-	(647,979)	-
46,564	-	46,564	-
321,367	-	321,367	-
-	-	-	-
(501)	-	(501)	-
(621,151)	-	(621,151)	-
<u>(32,928,895)</u>	<u>-</u>	<u>(32,928,895)</u>	<u>-</u>
-	4,123,989	4,123,989	-
-	4,902,704	4,902,704	-
-	3,282,321	3,282,321	-
-	(1,265,805)	(1,265,805)	-
-	(83,920)	(83,920)	-
<u>-</u>	<u>10,959,289</u>	<u>10,959,289</u>	<u>-</u>
<u>(32,928,895)</u>	<u>10,959,289</u>	<u>(21,969,606)</u>	<u>-</u>
-	-	-	(6,199,444)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,199,444)</u>
23,435,908	-	23,435,908	-
9,271,192	-	9,271,192	-
2,918,783	-	2,918,783	-
753,859	-	753,859	-
3,024,711	-	3,024,711	-
65,120	98,463	163,583	-
<u>39,469,573</u>	<u>98,463</u>	<u>39,568,036</u>	<u>-</u>
<u>2,967,000</u>	<u>(2,967,000)</u>	<u>0</u>	<u>-</u>
<u>42,436,573</u>	<u>(2,868,537)</u>	<u>39,568,036</u>	<u>-</u>
9,507,678	8,090,752	17,598,430	(6,199,444)
<u>118,491,027</u>	<u>169,342,647</u>	<u>287,833,674</u>	<u>6,199,444</u>
<u>\$ 127,998,705</u>	<u>\$ 177,433,399</u>	<u>\$ 305,432,104</u>	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 17,525,859	\$ 1,957,017	\$ 19,482,876
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,774,997	12,539	1,787,536
Other taxes	8,927	-	8,927
Customers	898,273	-	898,273
Other governmental agencies	2,724,179	832,431	3,556,610
Due from other funds	63,869	-	63,869
Assessments	3,280,213	-	3,280,213
Other	4,681,542	849,896	5,531,438
Prepaid items	-	99,000	99,000
Inventories	490,108	-	490,108
Restricted cash and investments	5,809,627	541,486	6,351,113
Total assets	<u>\$ 37,257,594</u>	<u>\$ 4,292,369</u>	<u>\$ 41,549,963</u>
Liabilities, Deferred Inflows, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 2,375,406	\$ 233,964	\$ 2,609,370
Due to other funds	-	63,869	63,869
Liabilities to be paid from restricted assets	263,599	500	264,099
Total liabilities	<u>2,639,005</u>	<u>298,333</u>	<u>2,937,338</u>
Deferred Inflows of Resources:			
Assessments receivable	3,280,213	-	3,280,213
Taxes receivable	1,774,997	12,539	1,787,536
Miscellaneous receivables	2,638,227	-	2,638,227
Prepaid taxes	41,992	-	41,992
Unspent cable franchise agreement	86,796	-	86,796
Total deferred inflows of resources	<u>7,822,225</u>	<u>12,539</u>	<u>7,834,764</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
Fund Balances:			
Nonspendable:			
Inventories	490,108	-	490,108
Prepaid items		99,000	99,000
Restricted:			
Stabilization by State statute	5,738,563	1,682,327	7,420,890
Streets	3,497,446	-	3,497,446
Future capital projects	2,048,582	540,986	2,589,568
Public safety	-	449,421	449,421
Parks and recreation	-	47,780	47,780
Committed:			
Public service	-	430,111	430,111
Future capital projects	-	266,215	266,215
Assigned:			
Subsequent year's expenditures	2,700,083	-	2,700,083
Capital projects	-	541,010	541,010
Unassigned:			
General fund	12,321,582	-	12,321,582
Public safety		(54,091)	(54,091)
Community revitalization	-	(5,445)	(5,445)
Economic development	-	(15,817)	(15,817)
Total fund balances	26,796,364	3,981,497	30,777,861
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,257,594	\$ 4,292,369	\$ 41,549,963

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	\$ 30,777,861
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	120,595,828
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	7,705,976
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.	566,833
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(28,121,752)
Compensated absences	(3,431,541)
Claims and judgments	(94,500)
Net position of governmental activities	\$ 127,998,705

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, 2014

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 23,755,532	\$ 65,561	\$ 23,821,093
Intergovernmental	17,464,260	3,909,290	21,373,550
Licenses and permits	845,949	-	845,949
Sales and service	8,606,993	-	8,606,993
Project	-	4,156,053	4,156,053
Investment earnings	63,440	1,680	65,120
Miscellaneous	1,248,037	20,535	1,268,572
Total revenues	<u>51,984,211</u>	<u>8,153,119</u>	<u>60,137,330</u>
Expenditures:			
Current:			
General government	4,672,485	2,328,864	7,001,349
Public safety	25,361,714	730,879	26,092,593
Public works	9,404,184	-	9,404,184
Engineering	986,374	-	986,374
Parks and recreation	7,868,253	234,462	8,102,715
Public service	1,043,420	4,811,643	5,855,063
Community revitalization	-	860,152	860,152
Economic development	-	18,735	18,735
Debt service:			
Principal	3,957,856	72,500	4,030,356
Interest	582,052	39,099	621,151
Total expenditures	<u>53,876,338</u>	<u>9,096,334</u>	<u>62,972,672</u>
Revenues over (under) expenditures	<u>(1,892,127)</u>	<u>(943,215)</u>	<u>(2,835,342)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(442,942)	(655,000)	(1,097,942)
Transfers from other funds	3,622,000	442,942	4,064,942
Installment purchase financing issued	1,440,000	515,000	1,955,000
Total other financing sources (uses)	<u>4,619,058</u>	<u>302,942</u>	<u>4,922,000</u>
Net change in fund balances	2,726,931	(640,273)	2,086,658
Fund balance:			
Beginning of year, July 1	24,069,433	4,621,770	28,691,203
End of year, June 30	<u>\$ 26,796,364</u>	<u>\$ 3,981,497</u>	<u>\$ 30,777,861</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, 2014**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 2,086,658

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	13,621,602
Depreciation	(6,327,854)
Basis of disposed/transferred capital assets	(314,222)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. 380,765

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. (1,153,097)

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	(741,032)
Debt issuance	(1,955,000)
Debt retirement	4,030,356

A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities. (120,498)

Changes in net position of governmental activities \$ 9,507,678

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 22,845,000	\$ 22,845,000	\$ 23,755,532	\$ 910,532
Intergovernmental	18,131,890	18,372,148	17,464,260	(907,888)
Licenses and permits	907,100	907,100	845,949	(61,151)
Sales and service	8,307,120	8,384,120	8,606,993	222,873
Investment earnings	82,400	82,400	63,440	(18,960)
Miscellaneous	1,055,250	1,115,907	1,248,037	132,130
Total revenues	<u>51,328,760</u>	<u>51,706,675</u>	<u>51,984,211</u>	<u>277,536</u>
Expenditures:				
Current:				
General Government				
Mayor and council	449,030	428,605	131,529	297,076
City clerk	161,510	161,510	101,737	59,773
Community services	420,270	505,570	504,600	970
City manager	491,640	472,940	433,380	39,560
Public affairs	94,470	107,970	83,304	24,666
Downtown development	131,630	183,830	24,959	158,871
Finance	350,650	432,640	43,305	389,335
Central services	582,260	941,147	502,659	438,488
Planning and development	2,098,690	2,395,620	2,097,467	298,153
Human resources	1,025,320	821,940	456,527	365,413
Human relations	304,210	304,595	293,019	11,576
Total general government	<u>6,109,680</u>	<u>6,756,367</u>	<u>4,672,485</u>	<u>2,083,882</u>
Public Safety:				
Police	15,085,130	15,051,734	14,506,852	544,882
Fire	10,354,390	11,089,489	10,854,862	234,627
Total public safety	<u>25,439,520</u>	<u>26,141,223</u>	<u>25,361,714</u>	<u>779,509</u>
Public Works:				
Administration	216,600	161,670	128,782	32,888
Street and ROW maintenance	2,209,650	2,278,903	2,094,769	184,134
Housing code enforcement	930,410	968,319	879,231	89,088
Environmental service	7,174,220	8,038,279	6,337,588	1,700,691
Fleet maintenance	(35,580)	95,220	(36,186)	131,406
Total public works	<u>10,495,300</u>	<u>11,542,391</u>	<u>9,404,184</u>	<u>2,138,207</u>
Engineering:				
Administration	535,910	536,610	490,132	46,478
Traffic	537,910	564,249	496,242	68,007
Total engineering	<u>1,073,820</u>	<u>1,100,859</u>	<u>986,374</u>	<u>114,485</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and Recreation:				
Administration	577,120	796,120	741,496	54,624
Athletics	579,600	564,750	545,088	19,662
Cultural arts	697,620	702,845	583,217	119,628
Amusements and special events	301,850	288,550	253,700	34,850
Museum	488,020	439,220	432,364	6,856
Parks maintenance	2,006,000	2,057,070	2,023,647	33,423
Cemetery operations	447,550	444,000	443,416	584
Outdoor programs	189,880	206,640	203,646	2,994
Neighborhood programs	893,030	881,060	869,125	11,935
Senior programs	427,920	475,150	442,699	32,451
Sports complex	560,900	654,882	654,065	817
Imperial Centre	555,290	683,310	675,787	7,523
Total parks and recreation	<u>7,724,780</u>	<u>8,193,597</u>	<u>7,868,253</u>	<u>325,344</u>
Public service	<u>2,064,000</u>	<u>3,641,755</u>	<u>1,043,420</u>	<u>2,598,335</u>
Debt service:				
Principal	4,039,607	4,000,512	3,957,856	42,656
Interest	582,053	582,053	582,052	1
Total debt service	<u>4,621,660</u>	<u>4,582,565</u>	<u>4,539,908</u>	<u>42,657</u>
Total expenditures	<u>57,528,760</u>	<u>61,958,757</u>	<u>53,876,338</u>	<u>8,082,419</u>
Revenues over (under) expenditures	<u>(6,200,000)</u>	<u>(10,252,082)</u>	<u>(1,892,127)</u>	<u>8,359,955</u>
Other Financing Sources (Uses):				
Transfers to other funds	(415,000)	(445,100)	(442,942)	2,158
Transfers from other funds	4,000,000	4,155,000	3,622,000	(533,000)
Installment purchase financing used	1,640,000	1,640,000	1,440,000	(200,000)
Total other financing sources (uses)	<u>5,225,000</u>	<u>5,349,900</u>	<u>4,619,058</u>	<u>(730,842)</u>
Fund balance appropriated	<u>975,000</u>	<u>4,902,182</u>	<u>-</u>	<u>(4,902,182)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,726,931</u>	<u>\$ 2,726,931</u>
Fund Balance:				
Beginning of year, July 1			<u>24,069,433</u>	
End of year, June 30			<u>\$ 26,796,364</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, 2014

Business-Type Activities

	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 12,510,428	\$ 12,837,288	\$ 6,588,551	\$ 5,824,495
Restricted cash and investments	4,082,086	1,185,652	1,016,558	192,381
Receivables - net:				
Assessments	-	-	86,404	141,707
Customers	10,337,747	1,093,005	1,159,175	1,287,422
Notes receivable	-	-	13,084	-
Other	72,267	16,706	11,365	30,941
Inventories	1,951,694	98,934	129,171	6,402
Total current assets	<u>28,954,222</u>	<u>15,231,585</u>	<u>9,004,308</u>	<u>7,483,348</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	3,830,391	8,727	4,115,860	818,507
Capital assets, depreciable, net of accumulated depreciation and amortization	35,232,646	16,370,198	28,310,390	55,785,977
Total capital assets (net of accumulated depreciation)	<u>39,063,037</u>	<u>16,378,925</u>	<u>32,426,250</u>	<u>56,604,484</u>
Total noncurrent assets:	<u>39,063,037</u>	<u>16,378,925</u>	<u>32,426,250</u>	<u>56,604,484</u>
Total assets	<u>\$ 68,017,259</u>	<u>\$ 31,610,510</u>	<u>\$ 41,430,558</u>	<u>\$ 64,087,832</u>
Liabilities and Net Position:				
Current Liabilities:				
Accounts payable and accrued expenditures	\$ 7,776,675	\$ 609,293	\$ 105,817	\$ 93,597
Current accrued compensated absences	194,346	43,044	109,821	93,121
Current maturities of long-term debt	1,396,361	279,066	954,159	1,330,726
Total current liabilities	<u>9,367,382</u>	<u>931,403</u>	<u>1,169,797</u>	<u>1,517,444</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	3,132,273	1,185,652	669,196	7,193
Accrued compensated absences	105,397	39,456	36,962	30,389
Noncurrent portion of long-term debt	3,663,962	655,376	1,429,572	8,751,037
Total noncurrent liabilities	<u>6,901,632</u>	<u>1,880,484</u>	<u>2,135,730</u>	<u>8,788,619</u>
Total liabilities	<u>16,269,014</u>	<u>2,811,887</u>	<u>3,305,527</u>	<u>10,306,063</u>
Net Position:				
Net investment in capital assets	35,356,070	15,578,333	30,738,612	46,881,299
Unrestricted	16,392,175	13,220,290	7,386,419	6,900,470
Total net position	<u>\$ 51,748,245</u>	<u>\$ 28,798,623</u>	<u>\$ 38,125,031</u>	<u>\$ 53,781,769</u>

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

Exhibit G

		Governmental Activities	
Other Nonmajor Fund	Total Business-Type Activities Enterprise	Internal Service Fund	Risk Management
\$ 1,709,351	\$ 39,470,113	\$ -	-
219,032	6,695,709	687,287	-
-	228,111	-	-
509,022	14,386,371	-	-
-	13,084	-	-
-	131,279	10,181	-
-	2,186,201	-	-
<u>2,437,405</u>	<u>63,110,868</u>	<u>697,468</u>	-
730,242	9,503,727	-	-
<u>3,509,488</u>	<u>139,208,699</u>	<u>-</u>	-
<u>4,239,730</u>	<u>148,712,426</u>	<u>-</u>	-
<u>4,239,730</u>	<u>148,712,426</u>	<u>-</u>	-
<u>\$ 6,677,135</u>	<u>\$ 211,823,294</u>	<u>\$ 697,468</u>	-
\$ 250,629	\$ 8,836,011	\$ 130,635	-
57,115	497,447	-	-
<u>420,855</u>	<u>4,381,167</u>	<u>-</u>	-
<u>728,599</u>	<u>13,714,625</u>	<u>130,635</u>	-
52,648	5,046,962	-	-
30,057	242,261	-	-
<u>886,100</u>	<u>15,386,047</u>	<u>-</u>	-
<u>968,805</u>	<u>20,675,270</u>	<u>-</u>	-
<u>1,697,404</u>	<u>34,389,895</u>	<u>130,635</u>	-
3,280,316	131,834,630	-	-
<u>1,699,415</u>	<u>45,598,769</u>	<u>566,833</u>	-
<u>\$ 4,979,731</u>	<u>\$ 177,433,399</u>	<u>\$ 566,833</u>	-

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities			
	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 91,430,978	\$ 26,507,748	\$ 10,771,384	\$ 11,689,883
Licenses and permits	-	-	22,020	12,103
Other operating revenues	<u>2,340,731</u>	<u>147,914</u>	<u>168,319</u>	<u>231,562</u>
Total operating revenues	<u>93,771,709</u>	<u>26,655,662</u>	<u>10,961,723</u>	<u>11,933,548</u>
Operating Expenses:				
Distribution systems	84,423,910	20,650,507	-	-
Treatment plants	-	-	3,391,615	6,878,964
Engineering	1,225,395	-	-	-
Support services	689,398	-	2,610,683	3,037,180
Energy services	1,166,414	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	<u>1,841,903</u>	<u>817,262</u>	<u>1,549,088</u>	<u>1,969,916</u>
Total operating expenses	<u>89,347,020</u>	<u>21,467,769</u>	<u>7,551,386</u>	<u>11,886,060</u>
Operating income (loss)	<u>4,424,689</u>	<u>5,187,893</u>	<u>3,410,337</u>	<u>47,488</u>
Nonoperating Revenues (Expenses):				
Other	63,945	-	29,700	24,106
Investment earnings	24,020	8,894	18,343	41,053
Gain (loss) on disposal of capital assets	(59,502)	(18,585)	(18,847)	(891,248)
Interest expense	(87,643)	(12,854)	(66,369)	(264,901)
Appropriation to school system	<u>(217,500)</u>	<u>(253,750)</u>	<u>(72,500)</u>	<u>(181,250)</u>
Total nonoperating revenues (expenses)	<u>(276,680)</u>	<u>(276,295)</u>	<u>(109,673)</u>	<u>(1,272,240)</u>
Income (loss) before capital contributions and transfers	<u>4,148,009</u>	<u>4,911,598</u>	<u>3,300,664</u>	<u>(1,224,752)</u>
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	<u>(1,425,000)</u>	<u>(1,066,000)</u>	<u>(526,000)</u>	<u>-</u>
Total capital contributions and transfers	<u>(1,425,000)</u>	<u>(1,066,000)</u>	<u>(526,000)</u>	<u>-</u>
Change in net position	2,723,009	3,845,598	2,774,664	(1,224,752)
Net Position:				
Beginning of year - July 1	<u>49,025,236</u>	<u>24,953,025</u>	<u>35,350,367</u>	<u>55,006,521</u>
End of year - June 30	<u>\$ 51,748,245</u>	<u>\$ 28,798,623</u>	<u>\$ 38,125,031</u>	<u>\$ 53,781,769</u>

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

Exhibit H

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities</u>
		<u>Internal Service Fund Risk Management</u>
\$ 3,457,268	\$ 143,857,261	\$ 5,724,120
-	34,123	-
<u>48,190</u>	<u>2,936,716</u>	<u>-</u>
<u>3,505,458</u>	<u>146,828,100</u>	<u>5,724,120</u>
-	105,074,417	-
-	10,270,579	-
-	1,225,395	-
800,731	7,137,992	-
-	1,166,414	-
2,164,009	2,164,009	-
-	-	4,252,940
-	-	1,591,678
<u>335,020</u>	<u>6,513,189</u>	<u>-</u>
<u>3,299,760</u>	<u>133,551,995</u>	<u>5,844,618</u>
<u>205,698</u>	<u>13,276,105</u>	<u>(120,498)</u>
-	117,751	-
6,153	98,463	-
(294,418)	(1,282,600)	-
(24,200)	(455,967)	-
<u>-</u>	<u>(725,000)</u>	<u>-</u>
<u>(312,465)</u>	<u>(2,247,353)</u>	<u>-</u>
<u>(106,767)</u>	<u>11,028,752</u>	<u>(120,498)</u>
29,000	29,000	-
75,000	75,000	-
<u>(25,000)</u>	<u>(3,042,000)</u>	<u>-</u>
<u>79,000</u>	<u>(2,938,000)</u>	<u>-</u>
(27,767)	8,090,752	(120,498)
<u>5,007,498</u>	<u>169,342,647</u>	<u>687,331</u>
<u>\$ 4,979,731</u>	<u>\$ 177,433,399</u>	<u>\$ 566,833</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 93,459,351	\$ 26,427,842	\$ 10,634,150	\$ 12,256,038
Payments to suppliers for goods and services	(82,516,621)	(19,303,405)	(3,166,875)	(7,696,078)
Payments to or on behalf of employees	(4,619,709)	(1,328,438)	(2,951,517)	(2,193,540)
Net cash provided (used) by operating activities	<u>6,323,021</u>	<u>5,795,999</u>	<u>4,515,758</u>	<u>2,366,420</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(1,425,000)	(1,066,000)	(526,000)	-
Transfers from other funds	-	-	-	-
Appropriation to school system	(217,500)	(253,750)	(72,500)	(181,250)
Net cash provided (used) by noncapital financing activities	<u>(1,642,500)</u>	<u>(1,319,750)</u>	<u>(598,500)</u>	<u>(181,250)</u>
Cash Flows From Capital and Related Financing Activities:				
Debt issued	165,000	-	323,000	75,000
Acquisition and construction of capital assets	(2,520,843)	(1,601,453)	(3,022,712)	(416,975)
Interest paid	(87,643)	(12,854)	(66,369)	(264,901)
Insurance recovery	63,945	-	29,700	24,106
Proceeds from grants and subsidies	-	-	-	-
Principal payments on long-term debt	(1,855,661)	(275,318)	(992,215)	(1,363,292)
Net cash provided (used) by capital and related financing activities	<u>(4,235,202)</u>	<u>(1,889,625)</u>	<u>(3,728,596)</u>	<u>(1,946,062)</u>
Cash Flows From Investing Activities:				
Investment earnings	24,020	8,894	18,343	41,053
Net cash provided (used) by investing activities	<u>24,020</u>	<u>8,894</u>	<u>18,343</u>	<u>41,053</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>469,339</u>	<u>2,595,518</u>	<u>207,005</u>	<u>280,161</u>
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	<u>16,123,175</u>	<u>11,427,422</u>	<u>7,398,104</u>	<u>5,736,715</u>
End of year, June 30	<u>\$ 16,592,514</u>	<u>\$ 14,022,940</u>	<u>\$ 7,605,109</u>	<u>\$ 6,016,876</u>
Cash and cash equivalents/investments	\$ 12,510,428	\$ 12,837,288	\$ 6,588,551	\$ 5,824,495
Restricted cash and investments	<u>4,082,086</u>	<u>1,185,652</u>	<u>1,016,558</u>	<u>192,381</u>
	<u>\$ 16,592,514</u>	<u>\$ 14,022,940</u>	<u>\$ 7,605,109</u>	<u>\$ 6,016,876</u>

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

Exhibit I
Page 1 of 2

Other Nonmajor Fund		Governmental Activities
Storm Water Management	Total	Internal Service Fund
		Risk Management
\$ 3,481,057	\$ 146,258,438	\$ 5,724,545
(913,964)	(113,596,943)	(5,829,515)
(1,976,960)	(13,070,164)	-
<u>590,133</u>	<u>19,591,331</u>	<u>(104,970)</u>
(25,000)	(3,042,000)	-
75,000	75,000	-
-	(725,000)	-
<u>50,000</u>	<u>(3,692,000)</u>	<u>-</u>
225,000	788,000	-
(789,782)	(8,351,765)	-
(24,200)	(455,967)	-
-	117,751	-
29,000	29,000	-
(455,105)	(4,941,591)	-
<u>(1,015,087)</u>	<u>(12,814,572)</u>	<u>-</u>
6,153	98,463	-
<u>6,153</u>	<u>98,463</u>	<u>-</u>
(368,801)	3,183,222	(104,970)
<u>2,297,184</u>	<u>42,982,600</u>	<u>792,257</u>
<u>\$ 1,928,383</u>	<u>\$ 46,165,822</u>	<u>\$ 687,287</u>
\$ 1,709,351	\$ 39,470,113	\$ -
219,032	6,695,709	687,287
<u>\$ 1,928,383</u>	<u>\$ 46,165,822</u>	<u>\$ 687,287</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, 2014**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 4,424,689	\$ 5,187,893	\$ 3,410,337	\$ 47,488
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	1,841,903	817,262	1,549,088	1,969,916
Change in Assets and Liabilities:				
(Increase) decrease in receivables and assessments	(614,982)	(236,566)	(257,959)	325,268
(Increase) decrease in inventories	(5,975)	(12,135)	(30,608)	(1,150)
Increase (decrease) in accounts payable and accrued expenses	306,944	1,456	(142,545)	(16,098)
Increase (decrease) in liabilities to be paid from restricted assets	302,624	8,746	(69,614)	(2,778)
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>67,818</u>	<u>29,343</u>	<u>57,059</u>	<u>43,774</u>
Net cash provided (used) by operating activities	<u>\$ 6,323,021</u>	<u>\$ 5,795,999</u>	<u>\$ 4,515,758</u>	<u>\$ 2,366,420</u>

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

Exhibit I
Page 2 of 2

<u>Other Nonmajor Fund</u>		<u>Governmental Activities</u>
<u>Storm Water Management</u>	<u>Total</u>	<u>Internal Service Fund</u>
		<u>Risk Management</u>
\$ 205,698	\$ 13,276,105	\$ (120,498)
335,020	6,513,189	-
(39,099)	(823,338)	425
-	(49,868)	-
36,003	185,760	15,103
14,698	253,676	-
	-	
<u>37,813</u>	<u>235,807</u>	<u>-</u>
<u>\$ 590,133</u>	<u>\$ 19,591,331</u>	<u>\$ (104,970)</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents/investments	\$ 452,879
Total assets	<u>\$ 452,879</u>
Liabilities:	
Accounts payable	\$ 354
Due to other agencies	\$ 452,525
Total liabilities	<u>\$ 452,879</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, 2014

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 had a December 31 year-end, was presented as a component unit as of June 30, 2014. The members of the Theatre's advisory council were appointed by the City. The City had the ability to impose its will on the Theatre, and the City had a financial burden to finance the deficits and to provide financial support to the Theatre. The City of Rocky Mount Theatre, LLC entity was dissolved as of December 31, 2013. The assets were distributed to the City of Rocky Mount and are being classified as capital assets for the Primary Government as governmental activities. 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The City reports the following major governmental fund:

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

The City reports the following non-major governmental funds:

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

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

Crime/Safety Control Fund – This fund accounts for federal and state grants used to finance law enforcement and fire projects including bullet proof vests, kid safety programs, law enforcement block grants, and other projects for crime and safety control.

Economic Development Fund – This fund accounts for federal and state grants used to promote improvement in economically depressed areas, improve housing, public infrastructure, employment and business opportunities.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Emergency Management Fund - This fund accounts for federal and state grant funds used to recover from the effects of natural disasters.

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

Occupancy Tax Fund – This fund was established to account for monies received from the local occupancy tax.

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.

The City reports the following major enterprise funds:

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

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

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

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

The City reports the following non-major enterprise fund:

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

Additionally, the City reports the following fund types:

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

Agency Funds – These funds are used to account for assets held by the City as an agent for individuals and private organizations. Agency funds are custodial in nature and do not involve the measurement of operating results. 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all general revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

which they are received. Uncollected taxes which were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. 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.

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, 2014. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2014. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 re-appropriated in the subsequent year’s budget.

Statement of Cash Flows

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

Cash and Cash Equivalents

The City pools its unrestricted cash resources from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventories

Inventories of the General Fund consist primarily of expendable supplies held for consumption and are stated at cost (determined on the weighted-average basis). The costs of General Fund inventories are recorded as expenditures when consumed rather than when purchased and are offset by a fund balance reserve in the balance sheet - governmental funds which 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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments or imposed by law through State Statute. Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unexpended debt proceeds of \$2,589,568, as of June 30, 2014.

Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Total Capital Assets	\$ 120,595,828	\$ 148,712,426
Less: Current Debt	(5,154,595)	(4,381,167)
Less: Long Term Debt	(22,967,157)	(15,386,047)
Add: Unexpended Debt Proceeds	2,589,568	1,648,747
Add: Other Post-Employment Benefits	3,966,769	1,240,671
Add: Unfunded Special Separation Allowance	1,072,772	-
Add: Other Debt - NCDOT	1,834,203	-
Net Investment in Capital Assets	<u>\$ 101,937,388</u>	<u>\$ 131,834,630</u>

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

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

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

Restricted Fund Balance

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

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

Committed Fund Balance

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

Committed for Public Service – portion of fund balance that has been committed by the 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.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

Total fund balance - General Fund	\$26,796,364
Less:	
Inventories	490,108
Stabilization by State Statute	<u>5,738,563</u>
Total available fund balance	<u>\$20,567,693</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 standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, the City's deposits had a carrying amount of \$12,151,063 and a bank balance of approximately \$12,812,738. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$11,562,738 in interest-bearing deposits was covered by collateral held under the Pooling Method.

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, 2014, the City had \$60,976,939 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City's investment in the North Carolina Capital Management Trust's Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies and in high grade money market instruments as permitted under NC General Statutes 159-30, as amended. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust Cash Portfolio	\$ 17,887,671	N/A	\$ 17,887,671	N/A
North Carolina Capital Management Trust Term Portfolio	43,089,268	0.23 years	43,089,268	N/A
	<u>\$ 60,976,939</u>		<u>\$ 60,976,939</u>	

Total cash and investments of \$73,139,977 reported by the City include cash on hand of \$11,975 and \$452,879 held by the City in the Agency fund, Community Development and Governmental Activities fund.

At June 30, 2014, the City had \$13,734,109 in restricted cash and investments. Of this amount, there was \$2,589,568 and \$1,648,747 in governmental and business-type escrow accounts, respectively, and the escrow funds are to be used to purchase equipment and construction improvements under installment purchase agreements. The City has a total of \$5,311,061 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 \$3,497,446 that is restricted cash according to State law. The City had \$687,287 restricted for use in the Internal Service Fund.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014 are net of the following allowances for doubtful accounts:

Fund	June 30, 2014
Governmental Activities:	
Ad valorem taxes	\$ 1,636,237
Planning loans	4,755,718
Miscellaneous	556,375
Customers	104,570
Total governmental activities	\$ 7,052,900
 Business-Type Activities:	
Customers:	
Electric	\$ 1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	136,984
Total business-type activities	\$ 2,282,152
 Total allowances for doubtful accounts	 \$ 9,335,052

Accounts Receivable

At June 30, 2014, funds due from other governmental agencies consisted of the following:

	General	Nonmajor Governmental	Total
Sales tax refund	\$ 787,957	\$ -	\$ 787,957
Vehicle fee	158,654	-	158,654
Local option tax	1,545,892	-	1,545,892
Grants receivable	54,463	719,579	774,042
Franchise tax	157,588	-	157,588
Miscellaneous receivable	19,625	112,852	132,477
	\$ 2,724,179	\$ 832,431	\$ 3,556,610

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Retirements	Transfers	June 30, 2014
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	8,518,845	406,121	239,622	-	8,685,344
Construction in progress	181,905	-	68,318	(28,036)	85,552
Total capital assets not being depreciated	<u>8,700,750</u>	<u>406,121</u>	<u>307,940</u>	<u>(28,036)</u>	<u>8,770,896</u>
Capital Assets Being Depreciated					
Land improvements	20,642,470	305,545	32,744	28,036	20,943,307
Buildings	61,161,886	8,372,497	-	0	69,534,384
Equipment	41,356,390	3,793,655	2,803,072	213,780	42,560,754
Infrastructure	53,346,601	725,197	-	-	54,071,798
Total capital assets being depreciated	<u>176,507,348</u>	<u>13,196,895</u>	<u>2,835,816</u>	<u>241,817</u>	<u>187,110,243</u>
Less Accumulated Depreciation for:					
Land improvements	7,162,289	792,483	32,744	-	7,922,028
Buildings	20,207,620	1,595,015	-	-	21,802,635
Equipment	30,796,718	3,204,411	2,796,790	195,195	31,399,534
Infrastructure	13,425,170	735,945	-	-	14,161,115
Total accumulated depreciation	<u>71,591,797</u>	<u>6,327,854</u>	<u>2,829,534</u>	<u>195,195</u>	<u>75,285,312</u>
Total capital assets being depreciated, net	<u>104,915,551</u>				<u>111,824,932</u>
Governmental activities capital assets, net	<u>113,616,301</u>				<u>120,595,828</u>

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

General government	\$ 1,046,713
Public works	1,677,593
Public safety	1,123,966
Transit	473,448
Planning	31,015
Recreation	1,673,520
Airport	301,599
Total	<u>\$ 6,327,854</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Capital asset activity for the business-type activities for the year ended June 30, 2014, was as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Electric Fund:					
Capital Assets Not Being Depreciated:					
Land	332,382	-	-	-	332,382
Construction in progress	2,703,460	812,439	-	(17,889)	3,498,009
Total capital assets not being depreciated	<u>3,035,842</u>	<u>812,439</u>	<u>-</u>	<u>(17,889)</u>	<u>3,830,391</u>
Capital Assets Being Depreciated					
Land improvements	487,405	4,490	-	-	491,895
Buildings	6,518,601	3,555	-	-	6,522,156
Equipment	29,091,045	1,188,642	772,032	(83,214)	29,424,442
Infrastructure	31,782,730	511,717	-	17,889	32,312,337
Total capital assets being depreciated	<u>67,879,782</u>	<u>1,708,404</u>	<u>772,032</u>	<u>(65,325)</u>	<u>68,750,829</u>
Less Accumulated Depreciation for:					
Land improvements	255,562	18,193	-	-	273,755
Buildings	3,630,306	143,746	-	-	3,774,052
Equipment	20,944,277	1,131,554	712,530	(83,214)	21,280,086
Infrastructure	7,641,880	548,410	-	-	8,190,290
Total accumulated depreciation	<u>32,472,025</u>	<u>1,841,903</u>	<u>712,530</u>	<u>(83,214)</u>	<u>33,518,184</u>
Total capital assets being depreciated, net	<u>35,407,757</u>	<u>(133,498)</u>	<u>59,502</u>	<u>17,889</u>	<u>35,232,646</u>
Electric Fund capital assets, net	<u>38,443,598</u>	<u>678,940</u>	<u>59,502</u>	<u>-</u>	<u>39,063,037</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Gas Fund:					
Capital Assets Not Being Depreciated:					
Land	8,727	-	-	-	8,727
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>8,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,727</u>
Capital Assets Being Depreciated					
Land improvements	11,425	-	-		11,425
Buildings	328,550	-	-		328,550
Equipment	9,140,277	169,021	-	(36,817)	9,272,481
Infrastructure	12,787,956	1,432,431	-		14,220,387
Total capital assets being depreciated	<u>22,268,208</u>	<u>1,601,453</u>	<u>-</u>	<u>(36,817)</u>	<u>23,832,844</u>
Less Accumulated Depreciation for:					
Land improvements	1,866	457			2,323
Buildings	123,939	6,243			130,182
Equipment	5,110,130	639,507		(18,231)	5,731,406
Infrastructure	1,427,681	171,055			1,598,735
Total accumulated depreciation	<u>6,663,616</u>	<u>817,262</u>	<u>-</u>	<u>(18,231)</u>	<u>7,462,647</u>
Total capital assets being depreciated, net	<u>15,604,592</u>	<u>784,191</u>	<u>-</u>	<u>(18,585)</u>	<u>16,370,198</u>
Gas Fund capital assets, net	<u>15,613,319</u>	<u>784,191</u>	<u>-</u>	<u>(18,585)</u>	<u>16,378,925</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Water Fund:					
Capital Assets Not Being Depreciated:					
Land	1,173,187	-	-	-	1,173,187
Construction in progress	1,511,923	2,106,831	17,500	(658,582)	2,942,672
Total capital assets not being depreciated	<u>2,685,110</u>	<u>2,106,831</u>	<u>17,500</u>	<u>(658,582)</u>	<u>4,115,860</u>
Capital Assets Being Depreciated					
Land improvements	9,106,395	-	-	-	9,106,395
Buildings	12,269,960	-	-	-	12,269,960
Equipment	7,897,195	858,696	6,917	418,625	9,167,598
Infrastructure	27,851,543	57,185	-	220,385	28,129,113
Total capital assets being depreciated	<u>57,125,093</u>	<u>915,881</u>	<u>6,917</u>	<u>639,009</u>	<u>58,673,066</u>
Less Accumulated Depreciation for:					
Land improvements	8,116,012	438,168	-	-	8,554,180
Buildings	6,055,422	245,896	-	-	6,301,318
Equipment	5,575,156	481,552	5,570	(19,573)	6,031,566
Infrastructure	9,092,139	383,472	-	-	9,475,611
Total accumulated depreciation	<u>28,838,730</u>	<u>1,549,088</u>	<u>5,570</u>	<u>(19,573)</u>	<u>30,362,676</u>
Total capital assets being depreciated, net	<u>28,286,363</u>	<u>(633,207)</u>	<u>1,348</u>	<u>658,582</u>	<u>28,310,390</u>
Water Fund capital assets, net	<u>30,971,473</u>	<u>1,473,624</u>	<u>18,848</u>	<u>-</u>	<u>32,426,250</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Sewer Fund:					
Capital Assets Not Being Depreciated:					
Land	782,025	-	-	-	782,025
Construction in progress	897,998	29,732	891,248	-	36,482
Total capital assets not being depreciated	<u>1,680,023</u>	<u>29,732</u>	<u>891,248</u>	<u>-</u>	<u>818,507</u>
Capital Assets Being Depreciated					
Land improvements	2,167,163	-	-	-	2,167,163
Buildings	43,763,854	-	-	-	43,763,855
Equipment	23,741,463	305,743	74,660	(74,177)	23,898,368
Infrastructure	32,276,389	81,500	-	-	32,357,888
Total capital assets being depreciated	<u>101,948,869</u>	<u>387,243</u>	<u>74,660</u>	<u>(74,177)</u>	<u>102,187,275</u>
Less Accumulated Depreciation for:					
Land improvements	2,110,684	2,490	-	-	2,113,173
Buildings	17,363,988	773,708	-	-	18,137,695
Equipment	15,645,981	763,627	74,660	(74,177)	16,260,771
Infrastructure	9,459,566	430,093	-	-	9,889,659
Total accumulated depreciation	<u>44,580,218</u>	<u>1,969,917</u>	<u>74,660</u>	<u>(74,177)</u>	<u>46,401,297</u>
Total capital assets being depreciated, net	<u>57,368,651</u>	<u>(1,582,674)</u>	<u>-</u>	<u>-</u>	<u>55,785,977</u>
Sewer Fund capital assets, net	<u>59,048,674</u>	<u>(1,552,941)</u>	<u>891,248</u>	<u>-</u>	<u>56,604,484</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	July 1, 2013	Additions	Retirements	Transfers	June 30, 2014
Storm Water Management Fund:					
Capital Assets Not Being Depreciated:					
Land	387,866	-	-	-	387,866
Construction in progress	295,213	342,376	295,213	-	342,376
Total capital assets not being depreciated	683,080	342,376	295,213	-	730,242
Capital Assets Being Depreciated					
Land improvements	17,300	137,554	-	-	154,854
Buildings	65,000	-	-	-	65,000
Equipment	3,107,646	309,852	83,750	-	3,333,748
Infrastructure	2,201,958	-	-	-	2,201,958
Total capital assets being depreciated	5,391,904	447,406	83,750	-	5,755,559
Less Accumulated Depreciation for:					
Land improvements	4,268	3,443	-	-	7,711
Buildings	6,608	1,300	-	-	7,908
Equipment	1,921,318	300,959	83,750	-	2,138,528
Infrastructure	63,402	29,318	795	-	91,925
Total accumulated depreciation	1,995,596	335,020	84,545	-	2,246,071
Total capital assets being depreciated, net	3,396,308	112,385	(795)	-	3,509,488
Total Storm Water Management Fund capital assets, net	4,079,388	454,761	294,418	-	4,239,730

Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2013, was as follows:

	December 31, 2012	Increases	Retirements	December 31, 2013
Governmental Activities:				
Capital assets	\$ 8,138,374	\$ -	\$ 8,138,374	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2014, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,011,471	\$ 8,405,631	\$ 9,417,102
Claims incurred but not reported	94,500	150,000	244,500
Accrued payroll and related liabilities	1,728,534	280,380	2,008,914
Total accounts payable and accrued liabilities	\$ 2,834,505	\$ 8,836,011	\$ 11,670,516

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 7.07% and 7.18% 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, 2014, 2013, and 2012 were \$2,815,980, \$2,704,575, and \$2,944,862, respectively. These amounts represent 100% of the required contributions for 2014, 2013, and 2012 respectively.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2013, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	22
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	162
Total	<u>184</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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. 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, 2014, 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 on a level dollar closed amortization method. 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, 2014

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	\$ 451,516
Interest on net pension obligation	50,889
Adjustment to annual required contribution	<u>(82,920)</u>
Annual pension cost	419,485
Contributions made	<u>364,483</u>
Increase in net pension obligation	55,002
Net pension obligation, beginning of year	<u>1,017,770</u>
Net pension obligation, end of year	<u><u>\$ 1,072,772</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	390,261	79.54%	890,056
6/30/2013	416,397	69.33%	1,017,770
6/30/2014	419,485	86.89%	1,072,772

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$4,283,038, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,283,038.

The covered payroll (annual payroll of active employees covered by the plan) was \$7,594,468 and the ratio of the UAAL to the covered payroll was 56.40 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, 2014

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 \$7,754,925 for employees engaged in law enforcement and \$30,628,915 for all other full-time employees. Total contributions for the year ended June 30, 2014, were \$1,306,614 which consisted of \$387,746 for employees engaged in law enforcement and \$918,867 for all other employees. Voluntary contributions made by all City employees totaled \$708,687.

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 \$18,244 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2014.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2013, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	200
Active members	839
	<u>1,039</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 \$418.71 of the cost for pre-65 health care coverage for the retiree. Retirees will cease to be eligible for group health insurance at age 65. If hired on or after 9/1/2009, the City pays 100% of \$418.71 for 30 or more years, 75% for 20-29 years, and 50% for 15-19 years of service. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. For employees hired on or after July 1, 2009, retirees will cease to be eligible for coverage at age 65 or upon eligibility for Medicare. Disability retirees will receive coverage for twenty-four months or until eligible for Medicare, whichever comes first. In both cases above, the retiree will be responsible for paying the cost of dependent coverage if dependent coverage is elected. The City has chosen to fund healthcare benefits on a pay as you go basis.

The current annual required contribution rate (ARC) is 7.2% of annual covered payroll. For fiscal year 2014, the City contributed \$1,804,600, or 4.7% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2014, 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, 2014

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	\$ 2,762,658
Interest on net OPEB obligation	169,672
Adjustment to annual required contribution	(162,089)
Annual OPEB cost (expense)	2,770,241
Contributions made	1,804,600
Increase (decrease) in net OPEB obligation	965,641
Net OPEB obligation, beginning of year	4,241,799
Net OPEB obligation, end of year	\$ 5,207,440

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

June 30	Cost (AOC)	Contributed	Obligation
2012	2,103,915	109.60%	3,936,932
2013	2,490,899	87.80%	4,241,799
2014	2,770,241	65.10%	5,207,440

As of December 31, 2013, 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 \$32,281,595. The covered payroll (annual payroll of active employees covered by the plan) was \$38,506,523, and the ratio of the UAAL to the covered payroll was 83.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2013, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.00% and (b) a 7.75% - 5.00% medical cost trend rate with 2019, 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, 2013, 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, 2014, the City made contributions to the State for death benefits of \$0 due to a temporary relief period enacted by the State because of a surplus of funds. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The relief period will end on June 30, 2014.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 \$1,306,614 to the plan for the year ended June 30, 2014.

7. Operating Leases

The City had no operating leases for the year ended June 30, 2014.

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:

	Fund- Level	Government- Wide
Taxes receivable (General Fund)	\$ 1,774,997	\$ -
Accounts receivable (General Fund)	2,638,227	-
Assessments (General Fund)	3,280,213	-
Accounts receivable (other governmental funds)	12,539	-
Prepaid taxes (General Fund)	41,992	41,992
Unspent cable franchise agreement (General Fund)	86,796	86,796
Total	<u>\$ 7,834,764</u>	<u>\$ 128,788</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

9. Commitments

Construction

The City had outstanding commitments at June 30, 2014, of approximately \$185,527 for the construction of the point of delivery station and substation 8 on Greyson Road, \$82,210 for the construction of the Nutkao pretreatment plant, \$50,032 for the CDC pump station upgrade and \$8,250 for transferring the generator at McLane to substation 9 on English Road. A portion of these improvements are being financed with an installment note and local grant contributions.

Purchases

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

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, 2014

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 \$244,500 for estimated claims which will be covered under self-insurance retention. The City has recorded an accrual totaling \$122,526 for estimated claims which will be covered under the Risk Management fund. The portion of the estimated liability relating to workers' compensation benefits is \$150,000. The remaining \$94,500 is for the estimated liability related to general property claims.

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

Changes in the reported liability for possible claims and judgments during fiscal years 2014 and 2013 are summarized as follows:

Possible Claims and Judgments	2014	2013
Balance, beginning	\$ 286,112	\$ 602,982
Current year claims and changes in estimates	295,846	506,991
Claim payments	(337,458)	(823,861)
Balance, ending	\$ 244,500	\$ 286,112

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2014 consist of the following:

Long-Term Debt:	Serviced By	
	Governmental Activities	Business-Type Activities
Installment Purchases:		
Building; due in monthly installments of \$80,491; maturing June 2019; interest at 1.62% (LGC)	\$ 4,636,063	\$ -
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21% (LGC)	46,011	764,773
Improvements; due in monthly installments of \$73,394; maturing April 2018; interest at .989% (LGC)	254,740	3,056,881
Improvements; due in monthly installments of \$25,305 plus interest; maturing April 2016; interest at 2.04% (LGC)	272,576	284,136
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55% (LGC)	9,053,333	-
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	218,475	388,733
Improvements; due in monthly installments of \$35,057; maturing April 2017; interest at 1.353% (LGC)	-	1,168,748
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	3,735,051
Improvements; due in monthly installments of \$14,831 plus interest; maturing May 2019; interest at 1.35% (LGC)	875,000	-
Equipment; due in monthly installments of \$52,715; maturing May 2017; interest at 1.027%	1,050,447	766,437
Equipment; due in monthly installments of \$71,673; maturing May 2015; interest at 1.099%	387,869	396,212
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	568,306	-
Equipment; due in monthly installments of \$109,202; maturing April 2016; interest at .845%	1,365,188	1,017,904
Total installment purchases	\$ 18,728,008	\$ 11,578,875

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Other Long-Term Debt:	Serviced By	
	Governmental Activities	Business-Type Activities
HUD - Section 108 Loan Guarantee - Douglas Block project	\$ 2,220,000	\$ -
YMCA - Building purchase agreement	300,000	-
Other - NCDOT	1,834,203	-
Other - NCDENR (LGC)	-	6,947,668
Subtotal	4,354,203	6,947,668
Unfunded Special Separation Allowance	1,072,772	-
Other post-employment benefits	3,966,769	1,240,671
Total other long-term debt	9,393,744	8,188,339
Total outstanding	28,121,752	19,767,214
Less current portion	5,154,595	4,381,167
	\$ 22,967,157	\$ 15,386,047

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)	\$ 327,541
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,621,036
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0% (LGC)	2,137,327
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02% (LGC)	1,663,474
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	198,290
	\$ 6,947,668

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Changes in Long-Term Debt

The following are summaries of changes in the City's long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
Installment purchases	\$ 20,558,364	\$ 1,955,000	\$ 3,785,356	\$ 18,728,008	\$ 3,596,845
Unfunded Special					
Separation Allowance	1,017,770	419,485	364,483	1,072,772	-
HUD Loan	2,365,000	-	145,000	2,220,000	145,000
YMCA	400,000	-	100,000	300,000	100,000
Other - NCDOT	785,052	1,358,746	309,595	1,834,203	1,312,750
Other post-employment benefits	3,225,737	741,032	-	3,966,769	-
Compensated absences	3,380,466	2,062,284	2,011,209	3,431,541	2,011,209
Total	<u>\$ 31,732,389</u>	<u>\$ 6,536,547</u>	<u>\$ 6,715,643</u>	<u>\$ 31,553,293</u>	<u>\$ 7,165,804</u>
All Business-Type Activities:					
Installment purchases	\$ 15,303,040	\$ 788,000	\$ 4,512,163	\$ 11,578,875	\$ 3,951,739
Other - NCDENR	7,377,096	-	429,428	6,947,668	429,428
Other post-employment benefits	1,016,062	224,608	-	1,240,671	-
Compensated absences	728,511	508,645	497,447	739,708	497,447
Total	<u>\$ 24,424,710</u>	<u>\$ 1,521,253</u>	<u>\$ 5,439,038</u>	<u>\$ 20,506,922</u>	<u>\$ 4,878,614</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Electric Fund:					
Installment purchases	\$ 6,347,441	\$ 165,000	\$ 1,855,661	\$ 4,656,780	\$ 1,396,361
Other post-employment benefits	329,262	74,281	-	403,543	-
Compensated absences	306,205	187,884	194,346	299,743	194,346
Total	<u>\$ 6,982,908</u>	<u>\$ 427,165</u>	<u>\$ 2,050,007</u>	<u>\$ 5,360,066</u>	<u>\$ 1,590,707</u>
Gas Fund:					
Installment purchases	\$ 1,075,910	\$ -	\$ 275,318	\$ 800,592	\$ 279,066
Other post-employment benefits	110,859	22,991	-	133,850	-
Compensated absences	76,149	49,395	43,044	82,500	43,044
Total	<u>\$ 1,262,918</u>	<u>\$ 72,386</u>	<u>\$ 318,362</u>	<u>\$ 1,016,942</u>	<u>\$ 322,110</u>
Water Fund:					
Installment purchases	\$ 2,493,532	\$ 323,000	\$ 979,822	\$ 1,836,710	\$ 941,766
Other - NCDENR	210,683	-	12,393	198,290	12,393
Other post-employment benefits	291,252	57,479	-	348,731	-
Compensated absences	147,203	109,401	109,821	146,783	109,821
Total	<u>\$ 3,142,670</u>	<u>\$ 489,880</u>	<u>\$ 1,102,036</u>	<u>\$ 2,530,514</u>	<u>\$ 1,063,980</u>
Sewer Fund:					
Installment purchases	\$ 4,030,253	\$ 75,000	\$ 946,257	\$ 3,158,996	\$ 913,691
Other - NCDENR	7,166,412	-	417,035	6,749,377	417,035
Other post-employment benefits	137,135	36,255	-	173,390	-
Compensated absences	115,992	100,639	93,121	123,510	93,121
Total	<u>\$ 11,449,792</u>	<u>\$ 211,894</u>	<u>\$ 1,456,413</u>	<u>\$ 10,205,273</u>	<u>\$ 1,423,847</u>
Stormwater Fund:					
Installment purchases	\$ 1,355,903	\$ 225,000	\$ 455,105	\$ 1,125,798	\$ 420,855
Other post-employment benefits	147,554	33,603	-	181,157	-
Compensated absences	82,962	61,325	57,115	87,172	57,115
Total	<u>\$ 1,586,419</u>	<u>\$ 319,928</u>	<u>\$ 512,220</u>	<u>\$ 1,394,127</u>	<u>\$ 477,970</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, including interest, are as follows:

	<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities:				
2015	\$ 3,596,845	\$ 363,597	\$ 1,557,750	\$ 75,922
2016	3,042,453	307,748	766,453	73,022
2017	2,288,540	260,067	245,000	69,499
2018	1,964,080	217,501	145,000	65,460
2019	1,909,527	176,581	145,000	61,089
2020-2024	3,339,898	543,300	725,000	230,493
2025-2029	<u>2,586,665</u>	<u>134,668</u>	<u>770,000</u>	<u>86,080</u>
Total governmental activities	<u>18,728,008</u>	<u>2,003,462</u>	<u>4,354,203</u>	<u>661,565</u>
Business-Type Activities:				
2015	3,951,739	261,313	429,428	100,907
2016	2,719,645	192,778	429,428	94,184
2017	2,078,357	142,086	429,428	87,461
2018	1,389,098	97,835	429,428	80,738
2019	739,675	60,354	429,428	74,015
2020-2024	700,361	25,896	2,147,145	269,230
2025-2029	-	-	1,840,822	105,096
2030-2033	<u>-</u>	<u>-</u>	<u>812,561</u>	<u>17,510</u>
Total business-type activities	<u>11,578,875</u>	<u>780,262</u>	<u>6,947,668</u>	<u>829,141</u>
Total	<u>\$ 30,306,883</u>	<u>\$ 2,783,724</u>	<u>\$ 11,301,871</u>	<u>\$ 1,490,706</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, 2014, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$320,636,293.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rolling Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2014, 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, 2014, are as follows:

Due To/From Other Funds

<u>Payable Fund</u>	<u>Receivable Fund</u>
	<u>General</u>
Public Safety	48,052
Economic Development	15,817
	<u>\$ 63,869</u>

The amounts due to the General fund from the nonmajor governmental funds represent \$63,869 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, 2014

Transfers To/From Other Funds

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Enterprise</u>	
General Fund	\$ -	\$ 367,942	\$ 75,000	\$ 442,942
Nonmajor Governmental Funds	655,000	-	-	655,000
Electric Fund	1,400,000	25,000	-	1,425,000
Gas Fund	1,066,000	-	-	1,066,000
Water Fund	501,000	25,000	-	526,000
Stormwater Fund	-	25,000	-	25,000
Total	<u>\$ 3,622,000</u>	<u>\$ 442,942</u>	<u>\$ 75,000</u>	<u>\$ 4,139,942</u>

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

The transfer between the General fund and nonmajor enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds. The transfer between the nonmajor governmental fund to Electric was a return of excess contribution for the 301 street lighting project from the prior year. The transfers from Electric, Water, and Stormwater to the nonmajor governmental fund represent 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 \$622,280 to the library's operating purposes during the year ended June 30, 2014.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2013, \$2,025,720,000 of the bonds were outstanding (plus unamortized premium of \$69,035,000). 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, 2014. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,339,243 (cost of \$13,514,122 less accumulated depreciation of \$6,174,879) has been reflected in the City's Statement of Net Position as capital assets at June 30, 2014. The current year decrease in the investment of

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

\$51,598 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, 2014. 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, 2014, this payment totaled \$56,225.

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 \$12,537,786 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 \$495,807 are recorded as operating expenses 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, 2014, 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, 2014

18. Significant Contingencies

Environmental Concerns

The City operated a coal gas manufacturing plant from the 1920's to 1950's. In general, manufactured gas plants (MGP) produced coal gas for lighting and heating from coal. Byproducts of this process including coal tar and oils were typically stored and disposed of on sight. This may have caused contamination of the subsurface area of the MGP. The City has had to implement a NC Department of Environmental and Natural Resources (NCDENR) approved remedial investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. A remedial investigation (RI) work plan was developed, and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis. NCDENR approved the consultant's recommendation for a more in depth RI, and a remedial action plan (RAP) was developed and submitted to NCDENR for approval. Site cleanup activities were conducted from late December 2011 to mid-January 2012. A Remedial Action Report (RAR) was prepared and submitted to NCDENR on March 20, 2012 and was approved by NCDENR on April 26, 2012. The City is currently moving forward with establishing Declaration of Perpetual Land Use Restrictions (DPLURs) for the property which restricts groundwater use and soil exposure at the site. The restrictions, once finalized, will be included on the property deed in accordance with NCDENR requirements. The Land Use Restrictions are in the final stages of approval. Long-term groundwater monitoring was initiated during the 3rd Quarter of 2012. The monitoring is done to make sure contamination is not seeping down and spreading into the groundwater. Samples showed some contamination that had been leached into the soil. The City has recently allocated funds to remediate the leeching that is happening by using Aggressive Fluid Vapor Recovery, which vacuums out the contamination. The City will continue to monitor the contamination levels and groundwater monitoring will likely continue for the foreseeable future. As of June 30, 2014 the City has paid \$1,026,951 in costs for remediation.

Appropriation to School System

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

The Council was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$725,000 for the year ended June 30, 2014.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Litigation Matters

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

19. Discretely Presented Component Unit

The City of Rocky Mount Theatre, LLC was included as a component unit as of June 30, 2013 and the entity was dissolved as of December 31, 2013. Information and accounting policies are disclosed to allow for fair presentation and to supplement the financial data included in the combined financial statements.

Capital Assets

The Theatre's capital assets are disclosed in Note 4, as fully disposed.

20. Related Party Transactions

The related party transaction with the City of Rocky Mount Theatre, LLC has ended with the dissolution of the entity as of December 31, 2013.

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, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A			
12/31/04	-	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%
12/31/13	-	4,283,038	4,283,038	0.00%	7,594,468	56.40%

Schedule of Employer Contributions

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

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	12/31/2013	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar closed	
Remaining amortization period	17 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, 2014**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A			
12/31/05	\$ -	\$ 26,003,197	\$26,003,197	0.00%	\$ 31,877,912	81.6%
12/31/06	-	25,079,116	25,079,116	0.00%	33,339,163	75.2%
12/31/07	-	31,660,867	31,660,867	0.00%	32,250,543	98.2%
12/31/08	-	37,133,950	37,133,950	0.00%	34,732,711	106.9%
12/31/09	-	29,853,713	29,853,713	0.00%	41,748,252	71.5%
12/31/10	-	27,043,309	27,043,309	0.00%	41,186,985	65.7%
12/31/11	-	33,205,290	33,205,290	0.00%	40,261,835	82.5%
12/31/12	-	35,088,581	35,088,581	0.00%	40,225,360	87.2%
12/31/13	-	32,281,595	32,281,595	0.00%	38,506,523	83.8%

Schedule of Employer Contributions

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

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	12/31/2013	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 7.75%	
Year of Ultimate trend rate	2019	

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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 22,125,000	\$ 22,804,813	\$ 679,813
Prior years	515,000	636,108	121,108
Penalties and interest	205,000	314,612	109,612
Total	<u>22,845,000</u>	<u>23,755,532</u>	<u>910,532</u>
Intergovernmental Revenues:			
Payment in lieu of taxes	1,444,690	1,470,915	26,225
Local option sales tax	9,400,100	9,271,192	(128,908)
Telecommunications tax	845,000	753,859	(91,141)
Franchise tax	2,940,000	2,918,783	(21,217)
Tax refunds	135,000	89,747	(45,253)
Beer and wine tax	260,000	247,804	(12,196)
ABC revenues	76,000	101,020	25,020
Court facilities fees	136,500	104,633	(31,867)
State grants	2,346,568	1,631,392	(715,176)
On behalf payments - fire	-	18,244	18,244
Other	788,290	856,671	68,381
Total	<u>18,372,148</u>	<u>17,464,260</u>	<u>(907,888)</u>
Licenses, Permits and Other Taxes:			
Privilege licenses	141,000	50,188	(90,812)
Building permits and inspection fees	450,300	383,668	(66,632)
Rental vehicle tax	62,000	66,189	4,189
Animal tax	24,000	21,717	(2,283)
Other	229,800	324,187	94,387
Total	<u>907,100</u>	<u>845,949</u>	<u>(61,151)</u>
Sales and Service:			
Solid waste and recycling charge	3,860,500	3,845,736	(14,764)
Reconnection charges	310,000	302,345	(7,655)
Weed control charges	56,000	81,752	25,752
Cemetery revenues	148,500	127,040	(21,460)
Sale of fixed assets	110,000	103,620	(6,380)
Recreation department fee	918,800	822,816	(95,984)
Transfer station charges	2,250,000	2,534,029	284,029
Concessions	180,000	206,022	26,022
Other	550,320	583,633	33,313
Total	<u>8,384,120</u>	<u>8,606,993</u>	<u>222,873</u>
Investment Earnings	<u>82,400</u>	<u>63,440</u>	<u>(18,960)</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Miscellaneous:			
Insurance	19,600	64,846	45,246
Demolition assessment	67,000	30,477	(36,523)
Excess utility tax	350,000	356,691	6,691
Rents	249,100	294,702	45,602
Contributions	189,652	183,608	(6,044)
Parking	3,050	4,093	1,043
Other	237,505	313,620	76,115
Total	<u>1,115,907</u>	<u>1,248,037</u>	<u>132,130</u>
Total revenues	<u>51,706,675</u>	<u>51,984,211</u>	<u>277,536</u>
Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	66,082	66,080	2
Employee benefits	46,973	44,126	2,847
Operating expenses	629,150	334,923	294,227
Utility service fee	(313,600)	(313,600)	-
Total	<u>428,605</u>	<u>131,529</u>	<u>297,076</u>
City Clerk:			
Salaries	179,510	149,438	30,072
Employee benefits	52,000	43,368	8,632
Operating expenses	37,600	24,141	13,459
Capital outlay	8,000	390	7,610
Utility service fee	(115,600)	(115,600)	-
Total	<u>161,510</u>	<u>101,737</u>	<u>59,773</u>
Community Services:			
Operating expenses	914,470	913,500	970
Utility service fee	(408,900)	(408,900)	-
Total	<u>505,570</u>	<u>504,600</u>	<u>970</u>
City Manager:			
Salaries	597,475	587,314	10,161
Employee benefits	162,810	155,252	7,558
Operating expenses	86,450	73,814	12,636
Capital outlay	9,205	-	9,205
Utility service fee	(383,000)	(383,000)	-
Total	<u>472,940</u>	<u>433,380</u>	<u>39,560</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Public Affairs:			
Salaries	127,000	126,998	2
Employee benefits	37,920	37,360	560
Operating expenses	51,670	27,717	23,953
Capital outlay	5,000	4,849	151
Utility service fee	(113,620)	(113,620)	-
Total	107,970	83,304	24,666
Downtown Development:			
Salaries	91,160	42,317	48,843
Employee benefits	20,470	9,963	10,507
Operating expenses	206,700	107,179	99,521
Utility service fee	(134,500)	(134,500)	-
Total	183,830	24,959	158,871
Finance:			
Administration:			
Salaries	204,120	204,101	19
Employee benefits	54,550	54,546	4
Operating expenses	1,040,425	950,186	90,239
Capital outlay	1,000	995	5
Utility service fee	(1,218,100)	(1,209,600)	(8,500)
Total	81,995	228	81,767
Accounting:			
Salaries	448,470	448,460	10
Employee benefits	119,480	117,334	2,146
Operating expenses	46,250	35,848	10,402
Capital outlay	2,910	2,905	5
Utility service fee	(558,000)	(558,000)	-
Total	59,110	46,547	12,563
Purchasing:			
Salaries	339,500	339,498	2
Employee benefits	98,450	98,442	8
Operating expenses	48,642	25,979	22,663
Capital outlay	36,068	13,941	22,127
Utility service fee	(477,700)	(477,700)	-
Total	44,960	160	44,800
Utility Billing:			
Salaries	1,734,320	1,733,313	1,007
Employee benefits	508,160	501,762	6,398
Operating expenses	693,700	686,716	6,984
Capital outlay	28,000	20,058	7,942
Utility service fee	(2,932,900)	(2,931,900)	(1,000)
Total	31,280	9,949	21,331

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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Information Systems:			
Salaries	602,420	524,920	77,500
Employee benefits	144,000	123,289	20,711
Operating expenses	1,067,075	944,604	122,471
Capital outlay	304,800	296,609	8,191
Utility service fee	(1,903,000)	(1,903,000)	-
Total	<u>215,295</u>	<u>(13,578)</u>	<u>228,873</u>
Total finance	<u>432,640</u>	<u>43,305</u>	<u>389,335</u>
Central Services:			
Municipal Building:			
Salaries	294,180	286,373	7,807
Employee benefits	92,770	79,947	12,823
Operating expenses	716,250	641,889	74,361
Capital outlay	652,522	406,386	246,136
Utility service fee	(1,214,800)	(1,214,800)	-
Total	<u>540,922</u>	<u>199,795</u>	<u>341,127</u>
Print Shop:			
Operating expenses	208,000	147,942	60,058
Utility service fee	(104,000)	(104,000)	-
Total	<u>104,000</u>	<u>43,942</u>	<u>60,058</u>
Judicial Center:			
Salaries	125,960	106,726	19,234
Employee benefits	32,970	30,379	2,591
Operating expenses	122,000	106,525	15,475
Capital outlay	15,295	15,291	4
Total	<u>296,225</u>	<u>258,921</u>	<u>37,304</u>
Total central services	<u>941,147</u>	<u>502,659</u>	<u>438,488</u>
Planning and Development:			
Planning Administration:			
Salaries	324,351	324,315	36
Employee benefits	91,490	91,469	21
Operating expenses	38,350	30,617	7,733
Total	<u>454,191</u>	<u>446,401</u>	<u>7,790</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, 2014

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Inspections:			
Salaries	455,870	454,906	964
Employee benefits	130,770	121,660	9,110
Operating expenses	70,200	60,462	9,738
Total	656,840	637,028	19,812
Community Development:			
Salaries	209,050	209,009	41
Employee benefits	48,630	46,723	1,907
Operating expenses	314,524	270,117	44,407
Total	572,204	525,849	46,355
Neighborhood Redevelopment:			
Operating expenses	712,385	488,189	224,196
Total	712,385	488,189	224,196
Total planning and development	2,395,620	2,097,467	298,153
Human Resources:			
Salaries	571,180	556,233	14,947
Employee benefits	892,650	830,714	61,936
Operating expenses	378,010	89,745	288,265
Capital outlay	12,000	11,734	266
Utility service fee	(1,031,900)	(1,031,900)	-
Total human resources	821,940	456,527	365,413
Human Relations:			
Salaries	216,740	212,298	4,442
Employee benefits	60,450	59,216	1,234
Operating expenses	27,405	21,504	5,901
Total human relations	304,595	293,019	11,576
Total general government	6,756,367	4,672,485	2,083,882
Public Safety:			
Police:			
Administration:			
Salaries	721,730	721,723	7
Employee benefits	101,990	101,985	5
Operating expenses	166,070	122,524	43,546
Capital outlay	650	610	40
Total	990,440	946,841	43,599
Support Services:			
Salaries	2,218,370	2,213,852	4,518
Employee benefits	637,630	614,083	23,547
Operating expenses	500,845	464,651	36,194
Capital outlay	105,100	92,221	12,879
Total	3,461,945	3,384,807	77,138

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, 2014**

	2014		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Special Operations:			
Salaries	1,148,880	1,143,445	5,435
Employee benefits	341,140	324,719	16,421
Operating expenses	377,999	351,654	26,345
Capital outlay	53,000	50,764	2,236
Total	<u>1,921,019</u>	<u>1,870,582</u>	<u>50,437</u>
Patrol Services:			
Salaries	4,816,880	4,650,599	166,281
Employee benefits	1,444,240	1,418,055	26,185
Operating expenses	544,560	534,751	9,809
Capital outlay	394,500	367,633	26,867
Total	<u>7,200,180</u>	<u>6,971,038</u>	<u>229,142</u>
Investigative Services:			
Salaries	1,065,810	966,855	98,955
Employee benefits	310,840	282,196	28,644
Operating expenses	101,500	84,531	16,969
Total	<u>1,478,150</u>	<u>1,333,583</u>	<u>144,567</u>
Total police	<u>15,051,734</u>	<u>14,506,852</u>	<u>544,882</u>
Fire:			
Administration:			
Salaries	102,410	102,398	12
Employee benefits	83,805	82,410	1,395
Operating expenses	324,260	314,416	9,844
Capital outlay	80,230	76,554	3,676
Total	<u>590,705</u>	<u>575,777</u>	<u>14,928</u>
Operations:			
Salaries	6,585,486	6,585,479	7
Employee benefits	1,737,370	1,737,353	17
Operating expenses	779,931	606,843	173,088
Capital outlay	639,207	638,271	936
Total	<u>9,741,994</u>	<u>9,567,945</u>	<u>174,049</u>
Prevention:			
Salaries	285,960	285,940	20
Employee benefits	73,250	71,097	2,153
Operating expenses	25,050	22,664	2,386
Total	<u>384,260</u>	<u>379,701</u>	<u>4,559</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Training:			
Salaries	232,110	231,998	112
Employee benefits	58,820	58,820	0
Operating expenses	80,600	39,620	40,980
Capital outlay	1,000	1,000	-
Total	<u>372,530</u>	<u>331,438</u>	<u>41,092</u>
Total fire	<u>11,089,489</u>	<u>10,854,862</u>	<u>234,627</u>
Total public safety	<u>26,141,223</u>	<u>25,361,714</u>	<u>779,509</u>
Public Works:			
Administration:			
Salaries	76,050	75,487	563
Employee benefits	38,870	19,714	19,156
Operating expenses	46,750	33,582	13,168
Total	<u>161,670</u>	<u>128,782</u>	<u>32,888</u>
Street and ROW Maintenance:			
Salaries	576,390	567,204	9,186
Employee benefits	239,000	182,149	56,851
Operating expenses	1,380,512	1,376,762	3,750
Capital outlay	541,211	490,292	50,919
Service charges	(458,210)	(521,637)	63,427
Total	<u>2,278,903</u>	<u>2,094,769</u>	<u>184,134</u>
Housing Code Enforcement:			
Salaries	445,050	417,103	27,947
Employee benefits	129,540	116,850	12,690
Operating expenses	393,729	345,277	48,452
Total	<u>968,319</u>	<u>879,231</u>	<u>89,088</u>
Environmental Service:			
Salaries	1,718,670	1,686,873	31,798
Employee benefits	531,170	493,334	37,836
Operating expenses	3,752,675	3,658,802	93,873
Capital outlay	2,035,764	498,580	1,537,184
Total	<u>8,038,279</u>	<u>6,337,588</u>	<u>1,700,691</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Fleet Maintenance:			
Salaries	683,920	680,842	3,078
Employee benefits	209,540	209,495	45
Operating expenses	2,793,195	2,664,938	128,257
Capital outlay	4,665	4,664	1
Service charges	(3,596,100)	(3,596,125)	25
Total	<u>95,220</u>	<u>(36,186)</u>	<u>131,406</u>
Total public works	<u>11,542,391</u>	<u>9,404,184</u>	<u>2,138,207</u>
Engineering:			
Administration:			
Salaries	745,410	745,319	91
Employee benefits	193,500	192,075	1,425
Operating expenses	147,966	103,004	44,962
Utility service fee	(550,266)	(550,266)	-
Total	<u>536,610</u>	<u>490,132</u>	<u>46,478</u>
Traffic:			
Salaries	461,460	461,444	16
Employee benefits	153,090	153,023	67
Operating expenses	403,299	335,375	67,924
Utility service fee	(453,600)	(453,600)	-
Total	<u>564,249</u>	<u>496,242</u>	<u>68,007</u>
Total engineering	<u>1,100,859</u>	<u>986,374</u>	<u>114,485</u>
Parks and Recreation:			
Administration:			
Salaries	298,600	298,564	36
Employee benefits	83,520	80,556	2,964
Operating expenses	414,000	362,376	51,624
Total	<u>796,120</u>	<u>741,496</u>	<u>54,624</u>
Athletics:			
Salaries	300,660	300,602	58
Employee benefits	67,740	67,267	473
Operating expenses	194,850	177,219	17,631
Capital outlay	1,500	-	1,500
Total	<u>564,750</u>	<u>545,088</u>	<u>19,662</u>
Cultural Arts:			
Salaries	287,200	285,534	1,666
Employee benefits	57,830	57,367	463
Operating expenses	256,815	236,418	20,397
Capital outlay	101,000	3,897	97,103
Total	<u>702,845</u>	<u>583,217</u>	<u>119,628</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Amusements and Special Events:			
Salaries	57,330	57,122	208
Employee benefits	17,420	17,368	52
Operating expenses	<u>213,800</u>	<u>179,210</u>	<u>34,590</u>
Total	<u>288,550</u>	<u>253,700</u>	<u>34,850</u>
Museum:			
Salaries	283,800	280,914	2,886
Employee benefits	62,600	61,191	1,409
Operating expenses	<u>92,820</u>	<u>90,259</u>	<u>2,561</u>
Total	<u>439,220</u>	<u>432,364</u>	<u>6,856</u>
Parks Maintenance:			
Salaries	1,006,680	1,006,639	41
Employee benefits	284,190	283,159	1,031
Operating expenses	724,750	698,332	26,418
Capital outlay	<u>41,450</u>	<u>35,517</u>	<u>5,933</u>
Total	<u>2,057,070</u>	<u>2,023,647</u>	<u>33,423</u>
Cemetery Operations:			
Salaries	286,900	286,887	13
Employee benefits	89,780	89,756	24
Operating expenses	65,870	65,364	506
Capital outlay	<u>1,450</u>	<u>1,410</u>	<u>40</u>
Total	<u>444,000</u>	<u>443,416</u>	<u>584</u>
Outdoor Programs:			
Salaries	150,450	150,364	86
Employee benefits	23,950	23,940	10
Operating expenses	<u>32,240</u>	<u>29,343</u>	<u>2,897</u>
Total	<u>206,640</u>	<u>203,646</u>	<u>2,994</u>
Neighborhood Programs:			
Salaries	549,780	549,775	5
Employee benefits	84,700	84,687	13
Operating expenses	238,285	226,369	11,916
Capital outlay	<u>8,295</u>	<u>8,295</u>	<u>-</u>
Total	<u>881,060</u>	<u>869,125</u>	<u>11,935</u>
Senior Programs:			
Salaries	212,330	212,295	35
Employee benefits	44,530	44,524	6
Operating expenses	192,050	167,886	24,164
Capital outlay	<u>26,240</u>	<u>17,994</u>	<u>8,246</u>
Total	<u>475,150</u>	<u>442,699</u>	<u>32,451</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, 2014**

	2014		
	Final Budget	Actual	Variance Positive/(Negative)
Sports Complex:			
Salaries	176,140	176,065	75
Employee benefits	25,650	25,649	1
Operating expenses	415,092	414,387	705
Capital outlay	38,000	37,965	35
Total	<u>654,882</u>	<u>654,065</u>	<u>817</u>
Imperial Centre:			
Salaries	148,680	148,647	33
Employee benefits	23,880	23,872	8
Operating expenses	510,750	503,269	7,481
Total	<u>683,310</u>	<u>675,787</u>	<u>7,523</u>
Total parks and recreation	<u>8,193,597</u>	<u>7,868,253</u>	<u>325,344</u>
Public Service:			
Capital outlay	<u>3,641,755</u>	<u>1,043,420</u>	<u>2,598,335</u>
Debt service expenditures:			
Principal	4,000,512	3,957,856	42,656
Interest	582,053	582,052	1
Total debt service expenditures	<u>4,582,565</u>	<u>4,539,908</u>	<u>42,657</u>
Total expenditures	<u>61,958,757</u>	<u>53,876,338</u>	<u>8,082,419</u>
Revenues over (under) expenditures	<u>(10,252,082)</u>	<u>(1,892,127)</u>	<u>8,359,955</u>
Other Financing Sources (Uses):			
Transfers to other funds	(445,100)	(442,942)	2,158
Transfers from other funds	4,155,000	3,622,000	(533,000)
Installment purchase financing issued	1,640,000	1,440,000	(200,000)
Total other financing sources (uses):	<u>5,349,900</u>	<u>4,619,058</u>	<u>(730,842)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(4,902,182)</u>	<u>2,726,931</u>	<u>7,629,113</u>
Fund balance appropriated	<u>4,902,182</u>	<u>-</u>	<u>(4,902,182)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,726,931</u>	<u>\$ 2,726,931</u>
Fund Balance:			
Beginning of year, July 1		<u>24,069,433</u>	
End of year, June 30		<u>\$ 26,796,364</u>	

NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 1,000,438	\$ 956,579	\$ 1,957,017
Receivables - net:			
Ad valorem taxes	-	12,539	12,539
Other governmental agencies	829,654	2,777	832,431
Other	265,734	584,162	849,896
Prepaid items	99,000	-	99,000
Restricted cash and investments	500	540,986	541,486
Total assets	<u>\$ 2,195,326</u>	<u>\$ 2,097,043</u>	<u>\$ 4,292,369</u>
Liabilities:			
Accounts payable and accrued expenditures	\$ 84,610	\$ 149,354	\$ 233,964
Liabilities to be paid from restricted assets	500	-	500
Due to other funds	63,869	-	63,869
Total liabilities	<u>148,979</u>	<u>149,354</u>	<u>298,333</u>
Deferred Inflows of Resources:			
Taxes receivable	-	12,539	12,539
Total deferred inflows of resources	<u>-</u>	<u>12,539</u>	<u>12,539</u>
Fund Balances:			
Nonspendable			
Prepaid items	99,000	-	99,000
Restricted:			
Stabilization by State statute	1,095,388	586,939	1,682,327
Future capital projects	-	540,986	540,986
Public safety	449,421	-	449,421
Parks and recreation	47,780	-	47,780
Committed			
Public service	430,111	-	430,111
Future capital projects	-	266,215	266,215
Assigned			
	-	541,010	541,010
Unassigned			
	(75,353)	-	(75,353)
Total fund balances	<u>2,046,347</u>	<u>1,935,150</u>	<u>3,981,497</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,195,326</u>	<u>\$ 2,097,043</u>	<u>\$ 4,292,369</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, 2014**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 65,561	\$ 65,561
Intergovernmental	3,804,465	104,825	3,909,290
Project revenues	2,004,849	2,151,204	4,156,053
Investment earnings	614	1,066	1,680
Miscellaneous	18,735	1,800	20,535
Total revenues	<u>5,828,663</u>	<u>2,324,456</u>	<u>8,153,119</u>
Expenditures:			
General government	-	2,328,864	2,328,864
Public safety	356,110	374,769	730,879
Parks and recreation	22,219	212,243	234,462
Public service	4,702,875	108,768	4,811,643
Community revitalization	860,152	-	860,152
Economic development	18,735	-	18,735
Debt service:			
Principal	72,500	-	72,500
Interest	39,099	-	39,099
Total expenditures	<u>6,071,690</u>	<u>3,024,644</u>	<u>9,096,334</u>
Revenues over (under) expenditures	<u>(243,027)</u>	<u>(700,188)</u>	<u>(943,215)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(500,000)	(155,000)	(655,000)
Transfers from other funds	317,942	125,000	442,942
Installment purchase financing issued	-	515,000	515,000
Total other financing sources (uses)	<u>(182,058)</u>	<u>485,000</u>	<u>302,942</u>
Net change in fund balances	(425,085)	(215,188)	(640,273)
Fund Balances:			
Beginning of year, July 1	<u>2,471,432</u>	<u>2,150,338</u>	<u>4,621,770</u>
End of year, June 30	<u>\$ 2,046,347</u>	<u>\$ 1,935,150</u>	<u>\$ 3,981,497</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 state funds received related to monthly charges to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

Occupancy Tax

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
Assets:			
Cash and cash equivalents/investments	\$ 488,665	\$ 14,274	
Receivables - net:			
Other governmental agencies	590,192	74,321	55,066
Other	237,065	2,356	-
Prepaid items	99,000	-	-
Restricted cash and investments	-	500	-
Total assets	<u>\$ 1,414,922</u>	<u>\$ 91,451</u>	<u>\$ 55,066</u>
Liabilities:			
Accounts payable and accrued expenditures	\$ 58,554	\$ 19,719	\$ 6,039
Liabilities to be paid from restricted assets	-	500	-
Due to other funds	-	-	48,052
Total liabilities	<u>58,554</u>	<u>20,219</u>	<u>54,091</u>
Fund Balance:			
Nonspendable:			
Prepaid items	99,000		-
Restricted:			
Stabilization by State statute	827,257	76,677	55,066
Public safety	-	-	-
Parks and recreation	-	-	-
Committed	430,111	-	-
Unassigned	-	(5,445)	(54,091)
Total fund balance (deficit)	<u>1,356,368</u>	<u>71,232</u>	<u>975</u>
Total liabilities and fund balance	<u>\$ 1,414,922</u>	<u>\$ 91,451</u>	<u>\$ 55,066</u>

Schedule D-1

<u>Economic Development</u>	<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	\$ -	\$ 449,719	\$ 47,780	\$ 1,000,438
-	-	28,642	81,433	829,654
26,313	-	-	-	265,734
-	-	-	-	99,000
-	-	-	-	500
<u>\$ 26,313</u>	<u>\$ -</u>	<u>\$ 478,361</u>	<u>\$ 129,213</u>	<u>\$ 2,195,326</u>
\$ -	\$ -	\$ 298	\$ -	\$ 84,610
-	-	-	-	500
15,817	-	-	-	63,869
<u>15,817</u>	<u>-</u>	<u>298</u>	<u>-</u>	<u>148,979</u>
-	-	-	-	99,000
26,313	-	28,642	81,433	1,095,388
-	-	449,421	-	449,421
-	-	-	47,780	47,780
-	-	-	-	430,111
(15,817)	-	-	-	(75,353)
<u>10,496</u>	<u>-</u>	<u>478,063</u>	<u>129,213</u>	<u>2,046,347</u>
<u>\$ 26,313</u>	<u>\$ -</u>	<u>\$ 478,361</u>	<u>\$ 129,213</u>	<u>\$ 2,195,326</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, 2014**

	Public Transportation Grants	Entitlement Grants	Crime/ Safety Control
Revenues:			
Intergovernmental	\$ 1,824,982	\$ 840,644	\$ 307,787
Project revenues	1,985,842	19,007	-
Investment earnings	-	8	13
Miscellaneous	-	-	-
Total revenues	<u>3,810,824</u>	<u>859,659</u>	<u>307,800</u>
Expenditures:			
Public safety	-	-	356,110
Parks and recreation	-	-	22,219
Public service	4,392,155	-	-
Emergency management	-	-	-
Community revitalization	-	860,152	-
Economic development	-	-	-
Debt service:			
Principal	-	72,500	-
Interest	-	39,099	-
Total expenditures	<u>4,392,155</u>	<u>971,751</u>	<u>378,329</u>
Revenues over (under) expenditures	<u>(581,331)</u>	<u>(112,092)</u>	<u>(70,529)</u>
Other Financing Sources (Uses):			
Transfers to other funds	-	-	-
Transfers from other funds	253,978	55,000	8,964
Total other financing sources (uses)	<u>253,978</u>	<u>55,000</u>	<u>8,964</u>
Net change in fund balances	(327,353)	(57,092)	(61,565)
Fund Balance:			
Beginning of year, July 1	<u>1,683,721</u>	<u>128,324</u>	<u>62,540</u>
End of year , June 30	<u>\$ 1,356,368</u>	<u>\$ 71,232</u>	<u>\$ 975</u>

Schedule D-2

<u>Economic Development</u>	<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	\$ -	343,702	\$ 487,350	\$ 3,804,465
-	-	-	-	2,004,849
-	-	371	222	614
<u>18,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,735</u>
<u>18,735</u>	<u>-</u>	<u>344,073</u>	<u>487,572</u>	<u>5,828,663</u>
-	-	-	-	356,110
-	-	-	-	22,219
-	-	310,720	-	4,702,875
-	-	-	-	-
-	-	-	-	860,152
18,735	-	-	-	18,735
-	-	-	-	72,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,099</u>
<u>18,735</u>	<u>-</u>	<u>310,720</u>	<u>-</u>	<u>6,071,690</u>
<u>-</u>	<u>-</u>	<u>33,353</u>	<u>487,572</u>	<u>(243,027)</u>
-	-	-	(500,000)	(500,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,942</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(182,058)</u>
-	-	33,353	(12,428)	(425,085)
<u>10,496</u>	<u>-</u>	<u>444,710</u>	<u>141,641</u>	<u>2,471,432</u>
<u>\$ 10,496</u>	<u>\$ -</u>	<u>\$ 478,063</u>	<u>\$ 129,213</u>	<u>\$ 2,046,347</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, 2014

	Project Authorization	Prior Years	Actual	
			Current Year	Total
Revenues:				
Intergovernmental	\$ 4,410,867	\$ 1,519,095	1,824,982	\$ 3,344,077
Project revenues	3,763,846	1,746,161	1,985,842	3,732,003
Miscellaneous	10,000	12,113	-	12,113
Total revenues	<u>8,184,713</u>	<u>3,277,369</u>	<u>3,810,824</u>	<u>7,088,193</u>
Expenditures:				
Public Service:				
Operating	7,534,135	2,590,152	4,020,503	6,610,655
Capital outlay	1,475,915	709,607	371,652	1,081,259
Total expenditures	<u>9,010,050</u>	<u>3,299,759</u>	<u>4,392,155</u>	<u>7,691,914</u>
Revenues over (under) expenditures	<u>(825,337)</u>	<u>(22,390)</u>	<u>(581,331)</u>	<u>(603,721)</u>
Other Financing Sources (Uses):				
Transfers from other funds	450,605	98,329	253,978	352,307
Transfers to other funds	(25,000)	(25,000)	-	(25,000)
Fund balance appropriated	399,732	-	-	-
Total other financing sources (uses)	<u>825,337</u>	<u>73,329</u>	<u>253,978</u>	<u>327,307</u>
Adjustment for closed projects	-	1,632,782		1,632,782
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,683,721</u>	<u>(327,353)</u>	<u>\$ 1,356,368</u>
Fund Balance:				
Beginning of year, July 1			1,683,721	
End of year, June 30			<u>\$ 1,356,368</u>	

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

Revenues:	
Intergovernmental	\$ 1,433,306
Project revenues	2,013,192
Miscellaneous	16,269
Total revenues:	<u>3,462,767</u>
Expenditures:	
Operating	3,565,544
Capital outlay	4,032
Total expenditures:	<u>3,569,576</u>
Revenues over (under) expenditures	\$ (106,809)
Transfers from other funds	318,418
Adjustment to Fund Balance	<u>\$ 211,609</u>

Prior year numbers have been reduced by the following amounts for grant paybacks:

Revenues:	
Intergovernmental	\$ 259,963
Total revenues	<u>259,963</u>
Expenditures:	
Operating	176,263
Capital outlay	83,700
Total expenditures	<u>259,963</u>
Revenues over (under) expenditures	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND-ENTITLEMENT GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 15,067,777	\$ 11,286,818	840,644	\$ 12,127,462
Project revenues	1,914,721	2,092,353	19,007	2,111,360
Investment earnings	-	9,868	8	9,876
Miscellaneous	7,322	20,172	-	20,172
Total revenues	16,989,820	13,409,211	859,659	14,268,870
Expenditures:				
Community revitalization program:				
Operating	16,966,859	13,373,082	860,152	14,233,234
Capital outlay	9,249	9,248	-	9,248
Debt service:				
Principal	235,000	162,500	72,500	235,000
Interest	210,003	112,346	39,099	151,445
Total expenditures	17,421,111	13,657,176	971,751	14,628,927
Revenues over (under) expenditures	(431,291)	(247,965)	(112,092)	(360,057)
Other Financing Sources (Uses):				
Transfers from other funds	431,291	376,289	55,000	431,289
Total other financing sources (uses)	431,291	376,289	55,000	431,289
Net change in fund balance	\$ -	\$ 128,324	(57,092)	\$ 71,232
Fund Balance:				
Beginning of year, July 1			128,324	
End of year, June 30			\$ 71,232	

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

Revenues:	
Intergovernmental	\$ 2,800,715
Project revenues	17,500
Miscellaneous	56
Total revenues:	2,818,271
Expenditures:	
Operating	3,071,076
Capital outlay	2,430
Total expenditures:	3,073,506
Revenues over (under) expenditures	\$ (255,235)
Transfers to other funds	(1,820)
Transfers from other funds	257,055
	\$ -

Prior year numbers have been reduced by the following amounts for grant paybacks:

Revenues:	
Intergovernmental	\$ 154,304
Total revenues	154,304
Expenditures:	
Operating	154,304
Total expenditures	154,304
Revenues over (under) expenditures	\$ -

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, 2014

	Project Authorization	Actual		
		Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 900,134	\$ 315,781	\$ 307,787	\$ 623,568
Investment earnings	4,650	4,845	13	4,858
Miscellaneous	-	-	-	-
Total revenues	<u>904,784</u>	<u>320,626</u>	<u>307,800</u>	<u>628,426</u>
Expenditures:				
Public Safety:				
Operating	422,990	137,584	115,375	252,959
Capital outlay	316,172	43,182	240,735	283,917
Parks and Recreation:				
Operating	<u>239,896</u>	<u>133,689</u>	<u>22,219</u>	<u>155,908</u>
Total expenditures	<u>979,058</u>	<u>314,455</u>	<u>378,329</u>	<u>692,784</u>
Revenues over (under) expenditures	<u>(74,274)</u>	<u>6,171</u>	<u>(70,529)</u>	<u>(64,358)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>74,274</u>	<u>56,369</u>	<u>8,964</u>	<u>65,333</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 62,540</u>	<u>(61,565)</u>	<u>\$ 975</u>
Fund Balance:				
Beginning of year, July 1			<u>62,540</u>	
End of year, June 30			<u>\$ 975</u>	

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

Revenues:	
Intergovernmental	\$ 1,637,110
Investment earnings	<u>93</u>
Total revenues:	<u>1,637,203</u>
Expenditures:	
Operating	1,202,843
Capital outlay	<u>442,424</u>
Total expenditures:	<u>1,645,267</u>
Revenues over (under) expenditures	\$ (8,064)
Transfers from other funds	<u>8,064</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 1,074,220	\$ 552,329	\$ -	\$ 552,329
Miscellaneous	425,000	-	18,735	18,735
Investment earnings	-	10,496	-	10,496
Total revenues	<u>1,499,220</u>	<u>562,825</u>	<u>18,735</u>	<u>581,560</u>
Expenditures:				
Economic development:				
Operating	1,849,738	984,737	18,735	1,003,472
Total expenditures	<u>1,849,738</u>	<u>984,737</u>	<u>18,735</u>	<u>1,003,472</u>
Revenues over (under) expenditures	<u>(350,518)</u>	<u>(421,912)</u>	<u>-</u>	<u>(421,912)</u>
Other Financing Sources (Uses):				
Transfers from other funds	350,518	432,408	-	432,408
Total other financing sources (uses)	<u>350,518</u>	<u>432,408</u>	<u>-</u>	<u>432,408</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,496</u>	<u>-</u>	<u>\$ 10,496</u>
Fund Balance:				
Beginning of year, July 1			<u>10,496</u>	
End of year, June 30			<u>\$ 10,496</u>	

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

Revenues:	
Intergovernmental	\$ -
Investment earnings	-
Miscellaneous	-
Total revenues:	<u>-</u>
Expenditures:	
Operating	76,042
Capital outlay	28,377
Total expenditures:	<u>104,419</u>
Revenues over (under) expenditures	\$ (104,419)
Transfers from other funds	<u>200,000</u>
Transfers to other funds	<u>(95,581)</u>
	<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, 2014

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ -	\$ -		\$ -
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Emergency management:				
Operating	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers to other funds	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance:				
Beginning of year, July 1			-	
End of year, June 30			\$ -	

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

Revenues:	
Intergovernmental	\$ 5,419,111
Miscellaneous	27,134
Total revenues:	5,446,245
Expenditures:	
Operating	5,418,215
Total expenditures:	5,418,215
Revenues over (under) expenditures	\$ 28,030
Transfers to other funds	(28,030)
	\$ -

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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Intergovernmental	\$ 343,700	\$ 343,702	\$ 2
Investment earnings	-	371	371
Total revenues	<u>343,700</u>	<u>344,073</u>	<u>373</u>
Expenditures:			
Public service:			
Implemental functions	77,000	40,104	36,896
Telephone	154,169	127,665	26,504
Software maintenance	25,000	24,831	169
Hardware maintenance	58,000	56,727	1,273
Training	2,700	1,740	960
Capital outlay	<u>222,500</u>	<u>59,653</u>	<u>162,847</u>
Total expenditures	<u>539,369</u>	<u>310,720</u>	<u>228,649</u>
Revenues over (under) expenditures	<u>\$ (195,669)</u>	<u>33,353</u>	<u>\$ 229,022</u>
Other Financing Sources (Uses):			
Fund balance appropriated	<u>195,669</u>	-	<u>(195,669)</u>
Total other financing sources (uses)	<u>195,669</u>	-	<u>(195,669)</u>
Net change in fund balance	<u>\$ -</u>	33,353	<u>\$ 33,353</u>
Fund Balances:			
Beginning of year, July 1		<u>444,710</u>	
End of year, June 30		<u>\$ 478,063</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, 2014

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Intergovernmental	\$ 5,495,000	\$ 5,115,021	\$ 487,350	\$ 5,602,371
Investment earnings	<u>35,000</u>	<u>55,627</u>	<u>222</u>	<u>55,849</u>
Total revenues	<u>5,530,000</u>	<u>5,170,648</u>	<u>487,572</u>	<u>5,658,220</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(5,530,000)</u>	<u>(5,029,007)</u>	<u>(500,000)</u>	<u>(5,529,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 141,641</u>	(12,428)	<u>\$ 129,213</u>
Fund Balance:				
Beginning of year, July 1			<u>141,641</u>	
End of year, June 30			<u>\$ 129,213</u>	

NONMAJOR 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, 2014

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 690,364	\$ 266,215	\$ 956,579
Receivables - net:			
Ad valorem taxes	12,539	-	12,539
Other governmental agencies	2,777	-	2,777
Other	584,162	-	584,162
Restricted cash and investments	540,986	-	540,986
Total assets	<u>\$ 1,830,828</u>	<u>\$ 266,215</u>	<u>\$ 2,097,043</u>
Liabilities:			
Accounts payable	149,354	-	149,354
Total liabilities	<u>149,354</u>	<u>-</u>	<u>149,354</u>
Deferred Inflows of Resources:			
Taxes receivable	12,539	-	12,539
Total deferred inflows of resources	<u>12,539</u>	<u>-</u>	<u>12,539</u>
Fund Balance:			
Restricted:			
Stabilization by State statute	586,939	-	586,939
Future capital projects	540,986	-	540,986
Committed			
	-	266,215	266,215
Assigned			
	541,010	-	541,010
Total fund balance	<u>1,668,935</u>	<u>266,215</u>	<u>1,935,150</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,830,828</u>	<u>\$ 266,215</u>	<u>\$ 2,097,043</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, 2014**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
Taxes	\$ 65,561	\$ -	\$ 65,561
Intergovernmental	104,825	-	104,825
Project revenues	2,151,204	-	2,151,204
Investment earnings	954	112	1,066
Miscellaneous	-	1,800	1,800
Total revenues	<u>2,322,544</u>	<u>1,912</u>	<u>2,324,456</u>
Expenditures:			
General government	2,328,864	-	2,328,864
Public safety	374,769	-	374,769
Parks and recreation	210,799	1,444	212,243
Public service	-	108,768	108,768
Total expenditures	<u>2,914,432</u>	<u>110,212</u>	<u>3,024,644</u>
Revenues over (under) expenditures	<u>(591,888)</u>	<u>(108,300)</u>	<u>(700,188)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(155,000)	-	(155,000)
Transfers from other funds	-	125,000	125,000
Installment purchase financing issued	515,000	-	515,000
Total other financing sources (uses)	<u>360,000</u>	<u>125,000</u>	<u>485,000</u>
Net change in fund balances	(231,888)	16,700	(215,188)
Fund Balances:			
Beginning of year - July 1	<u>1,900,823</u>	<u>249,515</u>	<u>2,150,338</u>
End of year - June 30	<u>\$ 1,668,935</u>	<u>\$ 266,215</u>	<u>\$ 1,935,150</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Ad valorem taxes	\$ 77,500	\$ 65,561	\$ (11,939)
Intergovernmental	125,000	104,825	(20,175)
Project revenues	2,738,000	2,151,204	(586,796)
Investment earnings	1,000	954	(46)
Total revenues	<u>2,941,500</u>	<u>2,322,544</u>	<u>(618,956)</u>
Expenditures:			
General government	2,988,000	2,328,864	659,136
Public safety	475,021	374,769	100,252
Parks and recreation	484,450	210,799	273,651
Total expenditures	<u>3,947,471</u>	<u>2,914,432</u>	<u>1,033,039</u>
Revenues over (under) expenditures	<u>(1,005,971)</u>	<u>(591,888)</u>	<u>414,083</u>
Other Financing Sources (Uses):			
Transfers to other funds	(155,000)	(155,000)	-
Transfers from other funds	-	-	-
Installment purchase financing issued	250,000	515,000	265,000
Fund balance appropriated	910,971	-	(910,971)
Total other financing sources (uses)	<u>1,005,971</u>	<u>360,000</u>	<u>(645,971)</u>
Net change in fund balance	<u>\$ -</u>	<u>(231,888)</u>	<u>\$ (231,888)</u>
Fund Balances:			
Beginning of year, July 1		<u>1,900,823</u>	
End of year, June 30		<u>\$ 1,668,935</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, 2014

	Project Authorization	Prior Years	Actual	
			Current Year	Total
Revenues:				
Intergovernmental	\$ 6,887,114	\$ 6,779,489	\$ -	\$ 6,779,489
Investment earnings	-	63,493	112	63,605
Miscellaneous	4,788,535	4,982,444	1,800	4,984,244
Total revenues	<u>11,675,649</u>	<u>11,825,426</u>	<u>1,912</u>	<u>11,827,338</u>
Expenditures:				
Parks and recreation	2,245,500	2,234,237	1,444	2,235,681
Public service	17,325,114	17,042,483	108,768	17,151,251
Total expenditures	<u>19,570,614</u>	<u>19,276,720</u>	<u>110,212</u>	<u>19,386,932</u>
Revenues over (under) expenditures	<u>(7,894,965)</u>	<u>(7,451,294)</u>	<u>(108,300)</u>	<u>(7,559,594)</u>
Other Financing Sources (Uses):				
Transfers from other funds	5,094,965	4,900,809	125,000	5,025,809
Debt financing issued	2,800,000	2,800,000	-	2,800,000
Total other financing sources (uses)	<u>7,894,965</u>	<u>7,700,809</u>	<u>125,000</u>	<u>7,825,809</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 249,515</u>	16,700	<u>\$ 266,215</u>
Fund Balance:				
Beginning of year, July 1			<u>249,515</u>	
End of year, June 30			<u>\$ 266,215</u>	

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

Revenues:	
Intergovernmental	\$ 137,200
Miscellaneous	50,000
Total revenues	<u>187,200</u>
Expenditures:	
Public service	<u>187,200</u>
Expenditures:	<u>187,200</u>
	<u>\$ -</u>

ENTERPRISE FUNDS

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

Electric Fund

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

Gas Fund

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

Water Fund

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

Sewer Fund

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

Stormwater Management Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUNDS - ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 93,300,000	\$ 91,430,978	\$ (1,869,022)
Other operating revenue	2,246,041	2,340,731	94,690
Other nonoperating revenue	-	63,945	63,945
Grants and subsidies	122,500	-	(122,500)
Investment earnings	12,000	24,020	12,020
Total revenues	<u>95,680,541</u>	<u>93,859,674</u>	<u>(1,820,867)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	2,093,394	1,970,024	123,370
Employee benefits	703,850	693,098	10,752
Electric power purchase	77,156,560	75,354,137	1,802,423
Operating expense	6,726,784	5,639,857	1,086,927
Engineering:			
Salaries	779,580	759,506	20,074
Employee benefits	209,850	209,646	204
Operating expense	470,700	256,243	214,457
Utility support services:			
Salaries	163,160	128,908	34,252
Employee benefits	42,290	33,974	8,316
Operating expense	594,650	526,516	68,134
Energy services:			
Salaries	765,286	698,531	66,755
Employee benefits	208,610	193,840	14,770
Operating expense	592,764	274,043	318,721
Budgetary appropriations:			
Capital outlay	4,817,118	3,287,637	1,529,481
Debt services expenditures	1,952,110	1,943,304	8,806
Appropriation to school system	217,500	217,500	-
Total expenditures and budgetary appropriations	<u>97,494,206</u>	<u>92,186,764</u>	<u>5,307,442</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,813,665)</u>	<u>1,672,910</u>	<u>3,486,575</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,425,000)	(1,425,000)	-
Installment purchase financing issued	965,000	165,000	(800,000)
Fund balance appropriated	2,273,665	-	(2,273,665)
Total other financing sources (uses)	<u>1,813,665</u>	<u>(1,260,000)</u>	<u>(3,073,665)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 412,910</u>	<u>\$ 412,910</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 412,910	
Depreciation		(1,841,903)	
Debt principal		1,855,661	
Capitalized capital outlay		2,520,843	
Gain (loss) on retirement/transfer of assets		(59,502)	
Debt issued		<u>(165,000)</u>	
Change in net position		<u>\$ 2,723,009</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 25,500,000	\$ 26,507,748	\$ 1,007,748
Other operating revenue	163,000	147,914	(15,086)
Investment earnings	10,000	8,894	(1,106)
Total revenues	<u>25,673,000</u>	<u>26,664,556</u>	<u>991,556</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	961,550	951,020	10,530
Employee benefits	410,140	406,761	3,379
Natural gas purchases	15,620,800	14,329,752	1,291,048
Operating expense	5,334,380	4,916,372	418,008
Budgetary appropriations:			
Capital outlay	1,849,636	1,648,055	201,581
Debt services expenditures	288,180	288,172	8
Appropriation to school system	253,750	253,750	-
Total expenditures and budgetary appropriations	<u>24,718,436</u>	<u>22,793,882</u>	<u>1,924,554</u>
Revenues over (under) expenditures	<u>954,564</u>	<u>3,870,674</u>	<u>2,916,110</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,400,000)	(1,066,000)	334,000
Fund balance appropriated	445,436	-	(445,436)
Total other financing sources (uses)	<u>(954,564)</u>	<u>(1,066,000)</u>	<u>(111,436)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 2,804,674</u>	<u>\$ 2,804,674</u>

**Reconciliation from Budgetary Basis
 (Modified Accrual) to Full Accrual Basis:**

Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	\$ 2,804,674
Depreciation	(817,262)
Debt principal	275,318
Capitalized capital outlay	1,601,453
Gain (loss) on retirement/transfer of assets	<u>(18,585)</u>
Change in net position	<u>\$ 3,845,598</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 11,430,000	\$ 10,771,384	\$ (658,616)
Licenses and permits	42,000	22,020	(19,980)
Other operating revenue	218,500	168,319	(50,181)
Other nonoperating revenue	-	29,700	29,700
Investment earnings	17,600	18,343	743
Total revenues	<u>11,708,100</u>	<u>11,009,766</u>	<u>(698,334)</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,611,210	1,457,823	153,387
Employee benefits	622,060	583,963	38,097
Operating expense	4,248,505	3,283,954	964,551
Water services:			
Salaries	762,880	745,748	17,132
Employee benefits	276,940	221,042	55,898
Operating expense	1,713,909	1,643,893	70,016
Budgetary appropriations:			
Capital outlay	2,786,132	1,088,587	1,697,545
Debt services expenditures	1,073,160	1,058,584	14,576
Appropriation to school system	72,500	72,500	-
Total expenditures and budgetary appropriations	<u>13,167,296</u>	<u>10,156,094</u>	<u>3,011,202</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,459,196)</u>	<u>853,672</u>	<u>2,312,868</u>
Other Financing Sources (Uses):			
Transfers to other funds	(725,000)	(526,000)	199,000
Installment purchase financing issued	750,000	323,000	(427,000)
Fund balance appropriated	1,434,196	-	(1,434,196)
Total other financing sources (uses)	<u>1,459,196</u>	<u>(203,000)</u>	<u>(1,662,196)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 650,672</u>	<u>\$ 650,672</u>
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 650,672	
Depreciation		(1,549,088)	
Debt principal		992,215	
Capitalized capital outlay		3,022,712	
Gain (loss) on retirement/transfer of assets		(18,847)	
Debt issued		<u>(323,000)</u>	
Change in net position		<u>\$ 2,774,664</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUNDS - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 11,900,000	\$ 11,689,883	\$ (210,117)
Licenses and permits	46,000	12,103	(33,897)
Other operating revenue	241,250	231,562	(9,688)
Other nonoperating revenue	24,106	24,106	-
Grants and subsidies	355,000	-	(355,000)
Investment earnings	23,000	41,053	18,053
Total revenues	<u>12,589,356</u>	<u>11,998,707</u>	<u>(590,649)</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,139,010	1,098,898	40,112
Employee benefits	457,790	453,106	4,684
Operating expense	5,117,454	4,785,384	332,070
Sewer services:			
Salaries	541,730	535,544	6,186
Employee benefits	162,950	149,766	13,184
Operating expense	2,449,000	2,351,870	97,130
Budgetary appropriations:			
Capital outlay	2,088,741	958,551	1,130,190
Debt services expenditures	1,636,720	1,628,193	8,527
Appropriation to school system	181,250	181,250	-
Total expenditures and budgetary appropriations	<u>13,774,645</u>	<u>12,142,562</u>	<u>1,632,083</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,185,289)</u>	<u>(143,855)</u>	<u>1,041,434</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	85,000	75,000	(10,000)
Fund balance appropriated	1,100,289	-	(1,100,289)
Total other financing sources (uses)	<u>1,185,289</u>	<u>75,000</u>	<u>(1,110,289)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (68,855)</u>	<u>\$ (68,855)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (68,855)	
Depreciation		(1,969,916)	
Debt principal		1,363,292	
Capitalized capital outlay		416,975	
Gain (loss) on retirement/transfer of assets		(891,248)	
Debt issued		<u>(75,000)</u>	
Change in net position		<u>\$ (1,224,752)</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 3,420,000	\$ 3,457,268	\$ 37,268
Other operating revenue	86,000	48,190	(37,810)
Grants and subsidies	-	29,000	29,000
Investment earnings	3,500	6,153	2,653
Total revenues	<u>3,509,500</u>	<u>3,540,611</u>	<u>31,111</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	226,640	225,258	1,382
Employee benefits	62,360	61,659	701
Operating expense	522,240	513,814	8,426
Stormwater operations:			
Salaries	1,244,660	1,240,707	3,953
Employee benefits	516,450	487,149	29,301
Operating expense	416,949	371,326	45,623
Budgetary appropriations:			
Capital outlay	1,553,987	854,609	699,378
Debt services expenditures	486,550	479,305	7,245
Total expenditures and budgetary appropriations	<u>5,029,836</u>	<u>4,233,827</u>	<u>796,009</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,520,336)</u>	<u>(693,216)</u>	<u>827,120</u>
Other Financing Sources (Uses):			
Transfers to other funds	(25,000)	(25,000)	-
Transfers from other funds	75,000	75,000	-
Installment purchase financing issued	300,000	225,000	(75,000)
Fund balance appropriated	1,170,336	-	(1,170,336)
Total other financing sources (uses)	<u>1,520,336</u>	<u>275,000</u>	<u>(1,245,336)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (418,216)</u>	<u>\$ (418,216)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (418,216)	
Depreciation		(335,020)	
Debt principal		455,105	
Capitalized capital outlay		789,782	
Gain (loss) on retirement/transfer of assets		(294,418)	
Debt issued		<u>(225,000)</u>	
Change in net position		<u>\$ (27,767)</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, 2014

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Insurance premiums	\$ 6,800,000	\$ 5,724,120	\$ (1,075,880)
Expenditures:			
Insurance claims	6,800,000	4,252,940	2,547,060
Administrative fees	-	1,591,678	(1,591,678)
Total expenditures	<u>6,800,000</u>	<u>5,844,618</u>	<u>955,382</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	(120,498)	<u>\$ (120,498)</u>
Net Position:			
Beginning of year, July 1		<u>687,331</u>	
End of year, June 30		<u>\$ 566,833</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, 2014

Community Development and Governmental Activities Fund:	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets:				
Cash and cash equivalents/investments	\$ 420,998	\$ 183,561	\$ 151,680	\$ 452,879
Total assets	<u>\$ 420,998</u>	<u>\$ 183,561</u>	<u>\$ 151,680</u>	<u>\$ 452,879</u>
Liabilities:				
Accounts payable	\$ 6,929	\$ 354	\$ 6,929	\$ 354
Due to other governmental agency	414,069	183,207	144,751	452,525
Total liabilities	<u>\$ 420,998</u>	<u>\$ 183,561</u>	<u>\$ 151,680</u>	<u>\$ 452,879</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, 2014

Year	Uncollected Balance 6/30/2013	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2014
2013-2014		23,245,085	22,351,527	893,558
2012-2013	1,162,135	157,528	744,733	574,930
2011-2012	671,766	349	253,366	418,749
2010-2011	419,698	95	81,223	338,570
2009-2010	325,375	59	45,792	279,641
2008-2009	244,170	54	20,899	223,324
2007-2008	201,649	-	12,383	189,266
2006-2007	185,139	-	9,130	176,009
2005-2006	138,139	-	9,172	128,967
2004-2005	124,727	-	5,379	119,348
2003-2004	123,840	-	69,845	53,995
2002-2003	53,517	-	38,643	14,876
2001-2002	15,609	-	15,609	-
	<u>\$ 3,665,762</u>	<u>\$ 23,403,170</u>	<u>\$ 23,657,698</u>	3,411,234
Allowance for uncollectible ad valorem taxes receivable				<u>(1,636,237)</u>
Ad valorem taxes receivable, net				<u>\$ 1,774,997</u>
Reconciliation with Revenue:				
Taxes				\$ 23,755,532
Penalties and interest				<u>(314,612)</u>
Total				<u>23,440,921</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				22,804,813
Prior years				<u>636,108</u>
				23,440,921
Releases and transfers from interest				27,115
Other				<u>189,662</u>
Total collections and credits				<u>\$ 23,657,698</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2014

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 3,073,972,343	0.58	\$ 17,829,041	\$ 17,829,041	\$ -
Personal property	835,590,122	0.58	4,846,423	2,423,831	2,422,592
Public service property	<u>80,695,375</u>	0.58	<u>468,033</u>	<u>468,033</u>	<u>-</u>
	3,990,257,840		23,143,497	20,720,905	2,422,592
Discoveries	3,494,336	0.55	19,219	19,219	-
Discoveries	7,503,809	0.58	43,522	43,522	-
Refunds	<u>6,697,676</u>	0.58	<u>38,847</u>	<u>38,847</u>	<u>-</u>
Total property valuation	<u>\$ 4,007,953,661</u>				
Net levy			23,245,085	20,822,493	2,422,592
Uncollected taxes at June 30, 2014			<u>893,558</u>	<u>784,382</u>	<u>109,176</u>
Current year's taxes collected			<u>\$ 22,351,527</u>	<u>\$ 20,038,111</u>	<u>\$ 2,313,416</u>
Percent of current year taxes collected			<u>96.15%</u>	<u>96.22%</u>	<u>95.49%</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2014**

Transfers to Fund:	Transfers from Fund:		
	General Fund	Special Revenue Funds	Capital Project Funds
General	\$ -	\$ 500,000	\$ 155,000
Stormwater	75,000	-	-
Capital Project Funds:			
Capital Development	50,000	-	-
Special Revenue:			
Entitlement Grants	55,000	-	-
Public Transportation	253,978	-	-
Crime/Safety Control	8,964	-	-
Total	\$ 442,942	\$ 500,000	\$ 155,000

Enterprise Funds

Enterprise Funds				
Electric	Gas	Water	Stormwater	Total
\$ 1,400,000	\$ 1,066,000	\$ 501,000	\$ -	\$ 3,622,000
-	-	-	-	75,000
25,000	-	25,000	25,000	125,000
-	-	-	-	55,000
-	-	-	-	253,978
-	-	-	-	8,964
<u>\$ 1,425,000</u>	<u>\$ 1,066,000</u>	<u>\$ 526,000</u>	<u>\$ 25,000</u>	<u>\$ 4,139,942</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Governmental Fund Capital Assets:		
Land and land improvements	\$ 29,628,651	\$ 29,161,315
Buildings	69,534,384	61,161,886
Equipment	42,560,754	41,356,390
Infrastructure	54,071,798	53,346,601
Construction in progress	<u>85,552</u>	<u>181,905</u>
Total governmental funds capital assets	<u>\$ 195,881,139</u>	<u>\$ 185,208,098</u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 177,550,191	\$ 167,499,585
Special revenue funds	4,816,826	4,444,392
Joint Venture - Rocky Mount/Wilson Airport	<u>13,514,122</u>	<u>13,264,122</u>
Total governmental funds capital assets	<u>\$ 195,881,139</u>	<u>\$ 185,208,098</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, 2014**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
General Government:			
Mayor and Council	2,366,798	-	12,159
City Clerk	1,965,080	142,691	58,502
City Manager	-	17,238	102,533
Finance	3,207	101,401	2,416,004
Central services	1,344,514	23,590,732	3,178,802
Human resources	-	5,229	22,240
Total general government	<u>5,679,598</u>	<u>23,857,290</u>	<u>5,790,241</u>
Transit	<u>221,062</u>	<u>97,128</u>	<u>4,498,635</u>
Public Safety:			
Police	11,538	436,249	5,400,879
Fire	<u>66,075</u>	<u>5,709,793</u>	<u>8,557,820</u>
Total public safety	<u>77,613</u>	<u>6,146,041</u>	<u>13,958,699</u>
Public works	<u>981,295</u>	<u>4,575,720</u>	<u>12,428,541</u>
Engineering	<u>1,955,305</u>	<u>111,488</u>	<u>780,964</u>
Parks and recreation	<u>18,879,353</u>	<u>23,703,305</u>	<u>4,467,389</u>
Airport	<u>1,834,426</u>	<u>11,043,410</u>	<u>636,286</u>
Total general capital assets	<u>\$ 29,628,651</u>	<u>\$ 69,534,384</u>	<u>\$ 42,560,754</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
-	-	\$ 2,166,273
-	-	\$ 119,771
-	-	\$ 2,520,611
754,987	-	\$ 28,869,034
-	-	\$ 27,469
<u>754,987</u>	<u>-</u>	<u>36,082,116</u>
<u>-</u>	<u>-</u>	<u>\$ 4,816,826</u>
-	-	\$ 5,848,665
<u>-</u>	<u>-</u>	<u>\$ 14,333,688</u>
<u>-</u>	<u>-</u>	<u>20,182,353</u>
<u>52,210,387</u>	<u>85,552</u>	<u>\$ 70,281,495</u>
<u>-</u>	<u>-</u>	<u>\$ 2,847,757</u>
<u>1,106,425</u>	<u>-</u>	<u>\$ 48,156,472</u>
<u>-</u>	<u>-</u>	<u>\$ 13,514,122</u>
<u>\$ 54,071,798</u>	<u>\$ 85,552</u>	<u>\$ 195,881,139</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, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
General Government:				
Mayor and Council	2,378,957	-	-	\$ 2,378,957
City Clerk	1,825,119	390,750	49,596	\$ 2,166,273
City Manager	913,971	-	794,200	\$ 119,771
Finance	3,538,463	285,369	1,303,221	\$ 2,520,611
Central services	28,317,975	589,718	38,658	\$ 28,869,034
Human resources	18,713	9,107	350	\$ 27,469
Total general government	<u>36,993,198</u>	<u>1,274,943</u>	<u>2,186,025</u>	<u>36,082,116</u>
Transit	<u>4,444,392</u>	<u>376,523</u>	<u>4,089</u>	<u>4,816,826</u>
Public Safety:				
Police	5,800,843	679,701	631,879	\$ 5,848,665
Fire	<u>13,178,895</u>	<u>1,168,329</u>	<u>13,536</u>	<u>14,333,688</u>
Total public safety	<u>18,979,738</u>	<u>1,848,030</u>	<u>645,415</u>	<u>20,182,353</u>
Public works	<u>68,132,795</u>	<u>2,949,778</u>	<u>801,078</u>	<u>70,281,495</u>
Engineering	<u>3,376,153</u>	<u>204,309</u>	<u>732,705</u>	<u>2,847,757</u>
Parks and recreation	<u>40,017,702</u>	<u>8,284,517</u>	<u>145,748</u>	<u>48,156,472</u>
Airport	<u>13,264,122</u>	<u>250,000</u>	<u>\$ -</u>	<u>13,514,122</u>
Total general fixed assets	<u>\$ 185,208,098</u>	<u>\$ 15,188,100</u>	<u>\$ 4,515,060</u>	<u>\$ 195,881,139</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 nonaccounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the City.

Content

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 101,937,388
Restricted	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	11,415,537
Unrestricted	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	14,645,780
Total governmental activities net assets	\$ 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	\$ 127,998,705
Business-type activities										
Net investment in capital assets	\$ 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	\$ 131,834,630
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	45,598,769
Total business-type activities	\$ 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	\$ 177,433,399
Primary government										
Net investment in capital assets	\$ 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	\$ 233,772,018
Restricted	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	11,415,537
Unrestricted	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	60,244,549
Total primary government net assets	\$ 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	\$ 305,432,104
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	\$ 6,356,511	\$ -
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 assets	\$ 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (32,928,895)
Business-type activities	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	10,959,289
Total primary government net expense	\$ (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)	\$ (21,969,606)

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)	\$ (8,143,974)
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	1,944,530
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	\$ (6,199,444)

General Revenues and Other Changes in

Net Position

Governmental activities:

Taxes:										
Ad valorem taxes	\$ 15,473,269	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521	\$ 19,499,709	\$ 21,558,895	\$ 21,528,800	\$ 21,778,008	\$ 22,965,276	\$ 23,435,908
Local option taxes	9,940,317	10,444,807	8,269,778	10,092,744	9,436,526	8,916,046	8,961,679	9,371,996	9,158,432	9,271,192
Alcoholic beverage taxes	43,801	42,158	-	-	-	-	-	-	-	-
Other taxes	2,523,858	5,000,150	3,475,190	3,383,805	3,749,239	3,844,700	3,855,023	3,819,472	3,759,181	3,672,642
Investment earnings	571,906	953,803	1,554,069	980,278	436,902	122,011	86,433	70,341	129,915	65,120
Miscellaneous	1,550,358	(406,432)	460,298	2,618,315	1,793,793	2,335,138	2,601,852	3,631,978	2,104,003	3,024,711
Transfers	1,446,406	1,646,500	2,212,445	2,830,090	2,650,000	2,803,692	4,560,000	3,066,000	3,579,419	2,967,000
Total governmental activities	\$ 31,549,915	\$ 33,220,048	\$ 33,629,804	\$ 38,093,753	\$ 37,566,169	\$ 39,580,482	\$ 41,593,787	\$ 41,737,795	\$ 41,696,226	\$ 42,436,573
Business-type activities										
Investment earnings	190,001	884,326	1,244,435	1,274,137	933,065	733,274	471,838	218,464	865,119	98,463
Transfers	(1,446,406)	(1,646,500)	(2,212,445)	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)	(3,066,000)	(3,579,419)	(2,967,000)
Total business-type activities	\$ (1,256,405)	\$ (762,174)	\$ (968,010)	\$ (1,555,953)	\$ (1,716,935)	\$ (2,070,418)	\$ (4,088,162)	\$ (2,847,536)	\$ (2,714,300)	\$ (2,868,537)
Total primary government	\$ 30,293,510	\$ 32,457,874	\$ 32,661,794	\$ 36,537,800	\$ 35,849,234	\$ 37,510,064	\$ 37,505,625	\$ 38,890,259	\$ 38,981,926	\$ 39,568,036

Change in Net Position

Governmental activities	\$ 547,254	\$ (572,487)	\$ 3,797,430	\$ 3,663,160	\$ (1,433,754)	\$ (2,787,736)	\$ 4,376,583	\$ 4,979,345	\$ 2,009,182	\$ 9,507,678
Business-type activities	3,612,424	4,923,540	7,852,843	7,238,184	5,852,821	11,018,129	5,970,441	2,523,195	6,255,486	8,090,752
Total primary government	\$ 4,159,678	\$ 4,351,053	\$ 11,650,273	\$ 10,901,344	\$ 4,419,067	\$ 8,230,393	\$ 10,347,024	\$ 7,502,540	\$ 8,264,668	\$ 17,598,430
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	\$ (6,199,444)

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
modified accrual basis of accounting

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	\$ -	\$ -	\$ -	\$ -
Unreserved	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	490,108
Restricted	-	-	-	-	-	-	8,455,455	12,485,342	11,306,879	11,284,591
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	1,433,525	963,473	2,429,395	2,700,083
Unassigned	-	-	-	-	-	-	8,700,100	6,987,165	9,928,645	12,321,582
Total General Fund	\$ 17,542,848	\$ 17,935,975	\$ 22,730,906	\$ 26,297,834	\$ 23,868,667	\$ 22,164,051	\$ 18,944,626	\$ 20,819,712	\$ 24,069,433	\$ 26,796,364

All other governmental funds

Reserved	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285	\$ 730,296	\$ 393,710	\$ 63,546	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,406,578	862,741	1,842,385	1,336,395	1,836,760	2,310,853	-	-	-	-
Capital projects funds	(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	99,000
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	1,809,993	3,142,689	1,908,066	1,592,589
Capital projects funds	-	-	-	-	-	-	876,388	2,868,236	989,213	1,127,925
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	776,078	767,850	923,526	430,111
Capital projects funds	-	-	-	-	-	-	2,773,711	-	249,515	266,215
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	790,196	841,164	911,610	541,010
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	(124,272)	(1,726,390)	(459,160)	(75,353)
Capital projects funds	-	-	-	-	-	-	-	(1,485,179)	-	-
Total all other governmental funds	\$ 11,508,838	\$ 6,598,151	\$ 3,894,968	\$ 3,014,649	\$ 4,846,841	\$ 4,051,740	\$ 7,002,094	\$ 4,537,260	\$ 4,621,770	\$ 3,981,497

Total governmental funds	\$ 29,051,686	\$ 24,534,126	\$ 26,625,874	\$ 29,312,483	\$ 28,715,508	\$ 26,215,791	\$ 25,946,720	\$ 25,356,972	\$ 28,691,203	\$ 30,777,861
---------------------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Ad valorem taxes	\$ 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	\$ 23,821,093
Intergovernmental revenues	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	21,373,550
Licenses and permits	1,062,447	1,154,278	1,093,244	1,065,569	950,558	948,416	883,621	921,813	869,535	845,949
Sales and services	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	8,606,993
Investment earnings	571,907	953,803	1,137,780	980,278	436,902	122,011	86,433	70,342	129,916	65,120
Contributions	-	1,750	-	-	-	-	-	-	-	-
Project revenue	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	4,156,053
Miscellaneous	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	1,268,572
Total revenues	50,465,321	50,459,556	52,271,131	53,860,977	54,130,449	60,760,810	61,868,513	67,299,701	59,289,932	60,137,330
Expenditures										
Current:										
General government	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	4,672,485
Public safety	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	25,717,824
Public service	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	5,746,295
Public works	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	9,404,184
Engineering	1,091,174	1,012,595	983,545	1,139,983	1,176,520	983,839	974,241	970,091	972,760	986,374
Parks and recreation	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	7,890,472
Economic development	-	-	-	-	-	-	-	-	-	18,735
Community revitalization	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	860,152
Emergency management	2,263,801	-	-	-	-	-	-	5,418,215	-	-
Hazard Mitigation	93,386	344,245	-	-	-	-	-	-	-	-
Capital projects:										
General government	34,323	136,122	117,391	25,000	252,543	56,045	801,837	711,148	832,314	2,328,864
Public safety	413,219	65,665	875,842	99,006	856,699	558,465	1,099,129	43,487	32,995	374,769
Parks and recreation	10,643,850	10,254,898	1,044,288	1,907,827	861,726	675,657	274,414	134,851	9,236,765	212,243
Public service	47,341	2,763	36,654	1,644,876	1,346,759	6,418,173	1,478,933	4,781,240	2,503,521	108,768
Community revitalization	-	-	-	-	154,794	12,485	-	-	-	-
Debt service:										
Principal	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	4,030,356
Interest	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656	431,995	621,151
Total expenditures	\$ 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	\$ 62,972,672

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Excess of revenues over (under) expenditures	(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)	(2,835,342)
Other financing sources (uses)										
Transfers in	\$ 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	4,064,942
Transfers out	(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)	(1,097,942)
Capital contributions	100,388	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	1,305,000	1,084,661	410,339	-	-	-
Proceeds from installment purchase agreement	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	1,955,000
Total other financing sources (uses)	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	4,922,000
Net change in fund balance	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609	\$ (596,975)	\$ (2,499,717)	\$ (269,072)	\$ (589,748)	\$ 3,334,231	\$ 2,086,658
Total debt service	\$ 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	\$ 4,651,507
Total expenditures	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	62,972,672
Capital outlay primary government only	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	13,621,602
Non-capital expenditures	\$ 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	\$ 49,351,070
Debt service as a percentage of non-capital expenditures	5.95%	7.09%	6.55%	5.35%	6.36%	5.76%	5.48%	5.17%	6.19%	9.43%

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	Economic Development	Debt Service	Total Expenditures
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
2014	7,001,349	26,092,593	5,855,063	10,390,558	8,102,715	-	860,152	18,735	4,651,507	62,972,672

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
						Beer Tax	Wine Tax			
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
2014	23,755,532	9,271,192	2,918,783	753,859	-	247,804	-	-	845,949	37,793,119

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

Note: Ad valorem taxes includes penalties & interest

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Tele-communication Tax	Inter-Governmental Revenue	Licenses & Permits	Sales and Services	Project Revenue	Investment Earnings	Other Revenue	Total Revenues
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
2014	23,821,093	753,859	20,619,691	845,949	8,606,993	4,156,053	65,120	1,268,572	60,137,330

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Residential Property		Commercial Property		Personal Property		Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe				
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%
2014	1,607,339,569	469,763,599	964,403,741	35,358,550	734,489,531	115,903,296	42,301,359	38,394,016	4,007,953,661	0.58	3,972,326,494	100.90%

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>	
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
2014	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>	
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
2014	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	2014			2015		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc ^a	Pharmaceuticals	\$154,304,592	1	3.85 %	\$72,465,996	1	2.37 %
Carolina Telephone Company	Communications	38,757,400	2	0.97	41,197,715	4	1.34
Edgecombe Genco LLC ^e	Electrical Energy Producer	38,515,368	3	0.96	52,762,110	2	1.72
Hendon Golden East LLC ^d	Retail Shopping Center	35,677,641	4	0.89	23,136,170	5	0.76
PNC Bank ^c	Banking	18,040,940	5	0.45	42,715,800	3	1.39
Kaba Ilco Corp ^c	Key & Security System Manufacturer	20,090,467	6	0.50	21,970,044	7	0.72
Oakwood Properties LLC	Community Development Company	18,945,395	7	0.47			
Rocky Mount WEH LP	Community Development Company	18,440,182	8	0.46			
Progress Energy Carolinas	Electrical Energy Producer	16,045,211	9	0.40	19,090,793	8	0.62
Honeywell International Inc	Aircraft Manufacturer	14,867,784	10	0.37	22,742,492	6	0.74
American Fibers and Yarns Co.	Textile Manufacturer				15,432,243	9	0.50
Cobb Corners Ltd. Partnership	Retail Shopping Center				13,378,383	10	0.44
Carolina Power & Light	Electrical Energy Producer						
Total		\$373,684,980		9.32 %	\$324,891,746		10.60 %

Source: City of Rocky Mount Finance Dept

^a Formerly Abbott Laboratories

^b Formerly C F N Inc.

^c Formerly Kaba Ilco Corp

^d Formerly Centura Bank Inc

^e 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
2005	15,314,550	364,564	15,679,114	14,652,620	95.68	907,147	15,559,767	99.24
2006	15,188,026	462,864	15,650,890	14,663,915	96.55	858,009	15,521,924	99.18
2007	17,089,087	446,941	17,536,028	16,403,053	95.99	956,965	17,360,018	99.00
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,130,909	17,942,601	98.96
2009	19,086,402	454,654	19,541,056	18,132,030	95.00	1,185,701	19,317,731	98.86
2010	21,219,040	422,197	21,641,237	20,125,420	94.85	1,129,366	21,254,786	98.21
2011	21,239,809	386,983	21,626,792	19,993,488	94.13	1,163,262	21,156,750	97.83
2012	21,241,883	437,570	21,679,453	20,276,321	95.45	984,382	21,260,703	98.07
2013	22,521,357	271,444	22,792,802	21,473,139	95.35	744,733	22,217,872	97.48
2014	23,143,497	101,588	23,245,085	22,351,527	96.58		22,351,527	96.15

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates
Fiscal Year 2013 -2014

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-750 kWh/kwh	Monthly Energy Charge-Next 1250 kWh/kwh	Monthly Energy Charge-All Over 2000 kWh/kwh	Monthly Energy Charge-First 2000 kWh/kwh	Monthly Energy Charge-Additional kWh/kwh
Residential		14.00	35.00				0.131538				
Small General Service		26.00	45.00					0.158244	0.131759	0.124472	
Medium General Service		27.00	47.00				0.097561				
Large General Service	1,130.00						0.073988				
Coordinated Demand Control Service				189.68	695.49	1,327.76	0.058375				
Med General Seasonal/Intermittent		38.00	58.00							0.145534	0.115393

Source: City of Rocky Mount Administrative Policy

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

City of Rocky Mount, North Carolina

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	8.26	9.23	9.23	9.23	10.00	10.00	10.00	10.00	10.00	14.00
Monthly Customer Charge-Three Phase(add amount to single)	11.83	13.22	13.22	13.22	15.00	15.00	15.00	15.00	15.00	21.00
Monthly Energy Charge/kWH		0.12	0.11	0.11	0.13	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	0.11	-	-	-	-	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	0.09	-	-	-	-	-	-	-	-	-
Small General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	15.75	17.60	17.60	17.60	18.22	18.22	18.22	18.22	18.22	26.00
Monthly Customer Charge-Three Phase(add amount to single)	11.83	13.22	13.22	13.22	13.68	13.68	13.68	13.68	13.68	19.00
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.12	0.14	0.14	0.14	0.16	0.16	0.16	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.10	0.11	0.11	0.11	0.13	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.09	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12
Medium General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	15.75	17.60	17.60	17.60	19.01	19.01	19.01	19.01	19.01	27.00
Monthly Customer Charge-Three Phase(add amount to single)	11.83	13.22	13.22	13.22	14.28	14.28	14.28	14.28	14.28	20.00
Monthly Energy Charge/kWH	0.07	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.10	0.10
Large General Service-rates at fiscal year-end										
Monthly Customer Charge	733.82	733.82	733.82	733.82	807.20	807.20	807.20	807.20	807.20	1,130.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.07	0.07

City of Rocky Mount, North Carolina

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Coordinated Demand Control Service-rates fiscal end										
Monthly Customer Charge-Under 1,000 kW	157.17	175.63	175.63	175.63	189.68	189.68	189.68	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	576.30	643.97	643.97	643.97	695.49	695.49	695.49	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	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	1,327.76
Monthly Energy Charge/kWH	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Med General Seasonal/Intermittent-rates fiscal end										
Monthly Customer Charge-Single Phase	15.75	17.60	17.60	17.60	26.60	26.60	26.60	26.60	26.60	38.00
Monthly Customer Charge-Three Phase	27.58	30.82	30.82	30.82	40.88	40.88	40.88	40.88	40.88	20.00
Monthly Energy Charge-First 2000 kWH/kWH	0.11	0.12	0.12	0.12	0.15	0.15	0.15	0.15	0.15	0.15
Monthly Energy Charge-Additional kWH/kWH	0.08	0.10	0.09	0.09	0.12	0.12	0.12	0.12	0.12	0.12

Source: City of Rocky Mount Administrative Policy

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

City of Rocky Mount, North Carolina

Principal Electric Revenue Payers by Business Type Current Year and Nine Years Ago

Type of Business	2014			2005		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue
Healthcare	\$ 2,905,882	1	3.10%	\$ 1,482,847	1	2.10%
Plastic Packaging Manufacturer	1,142,762	2	1.22%	-		
Bakery Production Facility	1,047,058	3	1.12%	-		
Key & Security System Manufacturer	1,021,625	4	1.09%	778,218	4	1.10%
Food Distributor	882,455	5	0.94%	592,248	5	0.84%
Communications	698,770	6	0.74%	420,398	9	0.60%
Elevator Products Manufacturer	537,764	7	0.57%	402,233	10	0.57%
Bakery Production Facility	451,620	8	0.48%	-		
Department Store	447,603	9	0.48%	493,969	8	0.70%
Plastic Packaging Manufacturer	425,407	10	0.45%	-		
Bread Distributor				827,000	2	0.73%
Food Distributor	-			786,709	3	1.12%
Textile Manufacturer	-			584,404	6	0.83%
Textile Manufacturer	-			512,813	7	0.73%
	<u>\$ 9,560,946</u>		<u>10.19%</u>	<u>\$ 6,880,839</u>		<u>9.32%</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

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
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%
2014	93,771,709	75,354,137	14,052,385	4,365,187	(217,178)	4,148,009	(1,425,000)	2,723,009	2.9%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2014	91,430,978	2,340,731	63,945	-	24,020	93,859,674

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ELECTRIC FUND USER CHARGES
Last Ten Fiscal Years**

Fiscal Year	Residential	Commercial/ Industrial	Commercial	Seasonal	Other Lights	Total User Charges
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
2014	42,714,433	42,689,175	3,609,477	331,702	2,086,191	91,430,978

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
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%
2014	26,655,662	14,329,752	7,156,602	5,169,308	(257,710)	4,911,598	(1,066,000)	3,845,598	14.43%

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

<u>Fiscal Year</u>	<u>User Charges</u>	<u>Other Operating Revenues</u>	<u>Other Non-operating Revenues</u>	<u>Investment Earnings</u>	<u>Total Revenues</u>
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
2014	26,507,748	147,914	-	8,894	26,664,556

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND USER CHARGES Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Special</u>	<u>Seasonal</u>	<u>Other</u>	<u>Total User Charges</u>
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
2014	13,789,553	7,557,336	1,185,317	3,791,887	183,655	-	26,507,748

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
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%
2014	10,961,723	7,570,233	3,391,490	(90,826)	3,300,664	(526,000)	2,774,664	25.3%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2014	10,771,384	22,020	168,319	29,700	-	18,343	11,009,766

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>
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
2014	8,234,091	752,157	1,785,136	-	10,771,384

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
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%
2014	11,933,548	12,777,308	(843,760)	(380,992)	(1,224,752)	-	(1,224,752)	-10.3%

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

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2014	11,689,883	12,103	231,562	24,106	41,053	11,998,707

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>
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
2014	8,715,746	357,862	98,083	2,495,781	22,411	11,689,883

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORM WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
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%
2014	3,505,458	3,594,178	(88,720)	(18,047)	(106,767)	79,000	(27,767)	-0.8%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2014	3,457,268	48,190	-	29,000	6,153	3,540,611

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Multi-family	Commercial	Total User Charges
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
2014	890,392	229,306	2,337,570	3,457,268

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Capital Leases	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases				
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	0.68%	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	
2014	18,728,008	2,220,000	300,000	1,834,203	-	-	6,947,668	11,578,875	41,608,754	not available	734.49	

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund					
2005	9,400,000	0	9,400,000	0.62%	0.24%	167	
2006	7,450,000	0	7,450,000	0.46%	0.19%	132	
2007	5,535,000	0	5,535,000	0.34%	0.14%	98	
2008	3,660,000	0	3,660,000	0.21%	0.09%	65	
2009	1,815,000	0	1,815,000	0.10%	0.05%	31	
2010	-	0	0	0.00%	0.00%	0	
2011	-	0	0	0.00%	0.00%	0	
2012	-	0	0	0.00%	0.00%	0	
2013	-	0	0	0.00%	0.00%	0	
2014	-	0	0	0.00%	0.00%	0	

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, 2014**

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount¹</u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt	23,082,211	100.0%	23,082,211
Total Direct Debt	<u>\$ 23,082,211</u>		<u>\$ 23,082,211</u>
Overlapping Debt			
Edgecombe County:			
School	8,610,000	16.0%	1,377,600
Non General Obligation	22,052,296	16.0%	3,528,367
Nash County Non Gen Obligation	<u>32,258,923</u>	84.0%	<u>27,097,495</u>
Total Overlapping Debt	<u>\$ 62,921,219</u>		<u>\$ 32,003,463</u>
Total direct and overlapping debt	<u>\$ 86,003,430</u>		<u>\$ 55,085,674</u>

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636

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% 0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	4,007,953,661
Debt Limit (8% of total assessed value) (1)	320,636,293
Debt applicable to limitation: Total outstanding bonded debt at 6/30/14	-
Less: Statutory deductions (2 and 3) Bonds issued and outstanding for water purposes Bonds issued and outstanding for sewer purposes	- - -
Total amount of debt applicable to debt limit	-
Legal debt margin	\$320,636,293

CITY OF ROCKY MOUNT, NORTH CAROLINA

PLEGGED REVENUE COVERAGE - WATER & SEWER

Last Ten Fiscal Years

Fiscal Year	Sewer Bonds						Coverage
	Operating		Net Revenue Available for Debt Service	Debt Service Requirements ³		Total	
	Revenues ¹	Expenses ²		Principal	Interest		
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%
2014	11,552,556	10,807,392	745,164	-	-	-	100.00%

Fiscal Year	Water Bonds						Coverage
	Operating		Net Revenue Available for Debt Service	Debt Service Requirements ³		Total	
	Revenues ¹	Expenses ²		Principal	Interest		
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%
2014	10,870,897	6,021,145	4,849,752	-	-	-	100.00%

¹ Total revenues including interest

² Total operating expenses exclusive of depreciation and amortization

³ Includes General Obligation Bonds

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	City Population (1)	Rocky Mount MSA(a) Personal Income (Millions) (2)	Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount MSA(a) Unemployment Rate (3)	Rocky Mount MSA(a) Retail Sales (Millions) (4)
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	4,999.4	32,964	13.2%	704.3
2013	56,650	not available	not available	13.3%	671.5
2014	56,650	not available	not available	10.2%	686.1

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	2014			2005		
	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank	Percentage of Total MSA (a)
Hospira	3,000	1	5.15%	2,300	2	3.62%
Nash Rocky Mount Schools	2,275	2	3.90%	2,500	1	3.93%
Cummins-Rocky Mount Engines	1,800	3	3.09%	1,100	4	1.73%
Nash Health Care Systems	1,600	4	2.74%	1,725	3	2.71%
CenturyLink/ Sprint	1,000	5	1.72%			
Universal Leaf	800	6	1.37%	1,100	5	1.73%
West Customer Management Group	800	7	1.37%			
McLane North Carolina	575	8	0.99%	625	8	0.98%
Kaba Ilco Corporation	495	9	0.85%	670	7	1.05%
CSX Transportation	400	10	0.69%			
PNC Bank (Formerly RBC)				950	6	1.49%
Honeywell				360	9	0.57%
Fawn Industries				350	10	0.55%
	12,745		16.72%	11,680		14.76%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	101	106	105	105	102	112	112	114	108	107
Public Safety										
Police	184	193	191	195	206	223	200	197	191	199
Fire	136	133	133	148	146	144	142	142	143	145
Public Works	104	104	103	108	105	103	100	92	91	90
Engineering	24	23	25	24	25	25	25	25	25	25
Parks & Recreation	58	61	66	63	66	64	66	67	65	62
Public Service	2	2	4	4	4	4	4	2	2	2
Economic Development	23	20	20	22	22	24	20	17	16	17
Electric	54	58	59	63	64	67	69	69	64	66
Gas	21	21	18	19	20	19	18	18	19	19
Water	62	62	55	62	61	62	47	46	47	44
Sewer	27	25	27	24	24	24	37	35	37	34
Storm Water	32	33	31	34	37	38	39	39	37	34
Total	828	840	837	871	882	909	879	863	845	844

Source: Finance Department

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Physical arrests	8,911	8,270	11,367	10,985	11,524	12,030	12,281	11,730	9,704	9,014
Traffic violations	5,963	4,114	6,741	6,381	10,073	10,137	10,570	7,241	7,397	6,760
Fire										
Number of calls answered	7,050	7,750	7,679	8,238	8,982	9,346	9,630	9,927	9,478	9,672
Inspections	2,862	2,957	2,361	2,174	2,491	2,385	2,009	2,444	1,996	1,760
Water										
Number of meters	26,915	24,700	24,998	25,172	24,314	24,364	24,927	24,441	24,239	24,365
Avg daily consumption (millions of gallons)	11.9	11.3	11.5	10.11	9.41	10.04	10.44	9.67	9.19	9.50
Peak daily consumption (millions of gallons)	17.0	16.4	13.5	15	15.99	16.39	16.00	15.07	13.71	12.40
Wastewater										
Avg daily sewer treatment (millions of gallons)	12.4	10.2	12.8	8.5	9.9	11.47	9.33	10.51	10.39	11.6

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

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