

# **Comprehensive Annual Financial Report**



**Fiscal Year Ended June 30, 2016**



**CITY OF ROCKY MOUNT,  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016**

**TABLE OF CONTENTS**

		<u>Page</u>
	<b>Introductory Section:</b>	
	Letter of Transmittal	1-9
	GFOA Certificate of Achievement for Excellence in Financial Reporting	10
	Organizational Chart	11
	List of Principal Officials	12
	<b>Financial Section:</b>	
	<b>Independent Auditor's Report</b>	13-15
	<b>Management's Discussion and Analysis</b>	16-34
<b><u>Exhibit</u></b>	<b>Basic Financial Statements:</b>	
	<b>Government-Wide Financial Statements:</b>	
A	Statement of Net Position	35-36
B	Statement of Activities	37-38
	<b>Fund Financial Statements:</b>	
C	Balance Sheet - Governmental Funds	39-40
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	41
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities	42
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	43-44

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
	<b>Fund Financial Statements (continued):</b>	
G	Statement of Net Position - Proprietary Funds	45-46
H	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	47-48
I	Statement of Cash Flows - Proprietary Funds	49-52
J	Statement of Fiduciary Net Position - Fiduciary Funds	53
	Notes to the Financial Statements	54-96
<u>Schedule</u>		
	<b>Required Supplemental Financial Data:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	97
A-2	Other Post-Employment Benefits - Required Supplementary Information	98
A-3	Local Government Employee's Retirement System Proportionate Share of Net Pension Liability (Asset) - Required Supplementary Information	99
A-4	Local Government Employee's Retirement System Contributions - Required Supplementary Information	100
	<b>Supplementary Information:</b>	
	<b>General Fund:</b>	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101-111
	<b>Nonmajor Governmental Funds:</b>	
C-1	Combining Balance Sheet	112
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113
	<b>Nonmajor Special Revenue Funds:</b>	
D-1	Combining Balance Sheet	114-115

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Nonmajor Special Revenue Funds (continued):</b>	
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116-117
D-3	Public Transportation Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
D-4	Entitlement Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
D-5	Crime/Safety Control Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	120
D-6	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	121
D-7	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	122
D-8	Occupancy Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	123
	<b>Nonmajor Capital Project Funds:</b>	
E-1	Combining Balance Sheet	124
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	125
E-3	General Capital Projects - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	126
E-4	General Capital Development Projects - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	127

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Enterprise Funds:</b>	
F-1	Electric Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	128
F-2	Gas Operating Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	129
F-3	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	130
F-4	Sewer Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	131
F-5	Stormwater Management Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	132
	<b>Internal Service Funds:</b>	
G-1	Combining Statement of Net Position	133
G-2	Combining Statements of Revenues, Expenses, and Changes in Net Position	134
G-3	Combining Statements of Cash Flows	135
G-4	Risk Management - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	136
G-5	Communications - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	137

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Agency Funds:</b>	
H-1	Combining Statement of Changes in Assets and Liabilities	138
	<b>Other Supplemental Schedules:</b>	
I-1	General Fund - Schedule of Ad Valorem Taxes Receivable	139
I-2	Analysis of Current Tax Levy -	140
I-3	Schedule of Interfund Transfers	141-142
	<b>Capital Assets Used in the Operation of Governmental Funds:</b>	
J-1	Comparative Schedule by Source	143
J-2	Schedule by Function and Activity	144-145
J-3	Schedule of Changes by Function and Activity	146
	<b>Statistical Section:</b>	
	Net Position by Component, Last Ten Fiscal Years	147-148
	Changes in Net Position, Last Ten Fiscal Years	149-150
	Fund Balances of Governmental Funds, Last Ten Fiscal Years	151-152
	Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	153-154
	General Governmental Expenditures by Function, Last Ten Fiscal Years	155
	General Governmental Tax Revenues by Source, Last Ten Fiscal Years	156
	General Governmental Revenues by Source, Last Ten Fiscal Years	157

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Statistical Section (continued):</b>	
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	158
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	159
Principal Property Tax Payers, Current Year and Nine Years Ago	160
Property Tax Levies and Collections, Last Ten Fiscal Years	161
Electric Utility Revenue Rates, Fiscal Year 2012-2013	162
Electric Utility Revenue Rates, Last Ten Fiscal Years	163-164
Principal Electric Revenue Payers by Business Type, Current Year and Nine Years Ago	165
Electric Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	166
Electric Fund Revenues by Source, Last Ten Fiscal Years	167
Electric Fund User Charges, Last Ten Fiscal Years	168
Gas Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	169
Gas Fund Revenues by Source, Last Ten Fiscal Years	170
Gas Fund User Charges, Last Ten Fiscal Years	171

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Statistical Section (continued):</b>	
Water Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	172
Water Fund Revenues by Source, Last Ten Fiscal Years	173
Water Fund User Charges, Last Ten Fiscal Years	174
Sewer Fund Revenues, Expenses, and Net Income, Last Ten Fiscal Years	175
Sewer Fund Revenues by Source, Last Ten Fiscal Years	176
Sewer Fund User Charges Last Ten Fiscal Years	177
Stormwater Fund Revenues, Expenses and Net Income, Last Ten Fiscal Years	178
Stormwater Fund Revenues by Source, Last Ten Fiscal Years	179
Stormwater Fund User Charges, Last Nine Fiscal Years	180
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	181
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	182
Computation of Direct and Overlapping, Bonded Debt as of June 30, 2013	183
Computation of Legal Debt Margin Last Ten Fiscal Years	184

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

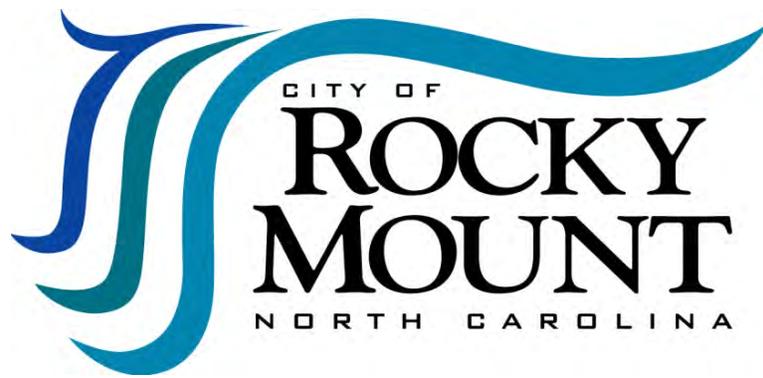
**TABLE OF CONTENTS**

	<u>Page</u>
<b>Statistical Section (continued):</b>	
Pledged Revenue Coverage - Water & Sewer Last Ten Fiscal Years	185
Demographic and Economic Statistics Last Ten Years	186
Principal Employers Current Year and Nine Years Ago	187
Full-Time Equivalent City Government Employees by Function, Last Ten Fiscal Years	188
Operating Indicators by Function/Program, Last Ten Fiscal Years	189
Capital Assets Statistics by Function, Last Ten Fiscal Years	190

# INTRODUCTORY SECTION

---

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





September 13, 2016

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, 2016.

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. The cost of internal controls should not outweigh their benefits; therefore, 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, 2016 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 unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2016 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 55,958 and straddles the Nash and Edgecombe County line, encompassing 44 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The City has a formal operating budget process, which begins in February of each year. The City Council receives the recommended budget in late May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. Legal budgetary control for operating budgets is exercised at the fund (e.g. General) and department (e.g. Police) level. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the City Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted. For the General fund, this comparison is presented on page 43 as part of the basic financial statements for the governmental funds. For governmental funds, other than the General fund, with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, which starts on page 118. 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 128.

## FACTORS AFFECTING FINANCIAL CONDITION

---

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

**Local economy.** Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. Rocky Mount is ranked as the 15<sup>th</sup> largest city in the state of North Carolina. North Carolina is a global economy driven by knowledge-based enterprises, including advanced manufacturing, software and information technology, bio-pharmaceuticals and financial services, as well as agriculture, furniture, and textiles. The Rocky Mount area continues to attract many technologically advanced industries. Financial institutions are also a vital part of the Rocky Mount area. Agriculture contributes greatly to the area's economy and Rocky Mount is a top producer of cucumbers, sweet potatoes, poultry, peanuts, cotton and hogs. 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 7.5% as of June 30, 2016 compared to last year's rate of 8.9%. Numbers released by the North Carolina Department of Commerce indicate Rocky Mount's metropolitan area experienced improvement in total employment. Our metropolitan area experienced 7% growth in manufacturing employment for the past 12 months ending in March 2016, the strongest growth of any local employment sector. Job additions in the education, health services, and leisure and hospitality sectors helped stabilize the local economy despite job losses in other sectors.

This past year, City staff worked aggressively with our partners in the Carolinas Gateway Partnership and the Rocky Mount Chamber of Commerce to recruit new business and encourage expansion of existing firms. Despite the loss of a few major retailers, the City is seeing new arrivals, such as Conn's Homestore and Lidl, along with our first major retail development project in several years along US 301. Several large projects, each worth more than \$150 million of investment and several hundred jobs, focus on the development of the Kingsboro Industrial Site and are being considered for manufacturing and industrial development. In January, Draka Elevator announced a \$12.1 million investment into the development of a 140,000 square foot manufacturing facility. Draka, which operates its global headquarters in Rocky Mount, plans to hire 34 full time workers at or exceeding an average wage of \$38,584 by December 31, 2016.

Construction on the new \$6 million terminal facility for Cargo Transporters Inc. at the Fountain Industrial Park began in March and is scheduled to be completed by early 2017. The company operates in 48 states and sought a location that will serve the northeast region of the state with access to the I-95 corridor. The state-of-the-art facility will consist of offices, a driver's lounge, orientation facilities, shop maintenance bays and parking for 125 tractor-trailer combinations. The company will initially base 50 trucks and drivers at the new facility and is expected to grow to 100 trucks and drivers in the next twelve months with an additional investment in equipment of \$6.9 million. The yearly wage for a full time truck driver is in the low to mid-range of \$50,000. Cargo Transporters Inc. is a privately held, family owned business involved in truck leasing, warehousing, and transportation for 50 years.

Southern Bank broke ground on a new 18,000 square foot, three-story business center building in downtown Rocky Mount in fiscal year 2015 and was completed in 2016. The new business center is needed as a result of recent and rapid expansion of the bank's customer base. The new facility will house the operations of both the mortgage and customer care centers that support all Southern Bank markets in North Carolina and Virginia. Bank officials identified Rocky Mount as a flagship market for their bank and they are proud to make the investment in downtown Rocky Mount.

A ground-breaking ceremony was recently held for the first phase of construction for the \$9 million Beal Street Square affordable housing development project. Beal Street Square will cover 5 ½ acres of land and have 20 one-bedroom and 60 two-bedroom energy efficient courtyard-style apartments. The site will also include a community center with workout facility, computer center, laundry facility, property management office and an outdoor playground. JOIN development is working in partnership with Thirdwave Housing, Workforce Homestead, Preservation Rocky Mount and the City's Community Development division. The project received an allocation of housing tax credits from the N.C. Housing Finance Agency and funding from the U.S. Department of Housing and Urban Development.

On July 19, 2016, Governor McCrory along with Carolinas Gateway Partnership and CSX announced that CSX will open a new intermodal terminal in Edgecombe County. Known as the Carolina Connector (CCX), this \$270 million project will bring up to three hundred short term jobs in engineering, technical services, and construction. CCX will directly employ 149 workers in Rocky Mount at salaries averaging \$64,047 per year. It is estimated that 1,500 jobs will be created statewide as a result of the terminal's operations. CCX will transfer containerized cargo between trains and trucks, processing more than 260,000 containers per year. Rocky Mount's strategic location in the state, its growing industrial market, and the company's existing rail operations and existing ties were the deciding factor in selecting the terminal's location. Helping facilitate CSX's choice was a Job Development Investment Grant approved by the State. The North Carolina Department of Transportation will contribute \$100 million for track improvements as well as terminal infrastructure through the new transportation funding formula. The hub is expected to open in 2020.

Edgecombe Community College's new Biotechnology and Medical Simulation Center was completed in January and an official dedication ceremony was held in March of this year on the college's downtown Rocky Mount campus. The Biotechnology and Simulation Center is a three-story, 45,000 square foot facility that will house fourteen of the college's health sciences programs with the capacity to add new programs. A special feature of the facility will be a simulated hospital environment to provide realistic training opportunities like emergency rooms, operating rooms, intensive care units, nurses' stations, and the back of an ambulance. Edgecombe Community College is also developing the Workforce Training Center on the Tarboro campus and it will centralize training for business and industry, criminal justice, and public safety programs. The expansion at the community college will spur economic growth and recovery while training people for jobs and careers.

Nash UNC Health Care completed the construction of the new 47,048 square foot, \$25 million Women's Center. The Center includes two floors of state-of-the art spaces for obstetrical and women's services. The Women's Center includes labor and delivery rooms, gynecological surgery and birthing suites. The hospital will be hiring additional nurses and physicians as part of the expansion. Nash UNC Health Care has invested more than \$80 million in the past five years with the building of a new emergency room, heart center, and the new women's center.

Tourism remains a strong, growing component of our local economy. Local tourism direct spending grew by more than \$10 million in 2015, and continues to grow in 2016. Our strategic emphasis on sports tourism, modeled by the success of our Rocky Mount Sports Complex and the intent of our proposed Downtown Community Facility as well as our continued development and support of additional amenities (Imperial Centre, Best Friends Dog Park, Rocky Mount Mills) serve as a principal source of investment for the growth of an industry that is the only source of net job growth in the past 10 years. 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 goal for the proposed Downtown Community Facility is to create a new economy for our region and city by creating a destination location for our center city, incent private investment, and grow our tax base.

Capitol Broadcasting Co. is transforming an abandoned, historic mill 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. Known as Rocky Mount Mills, the former textile mill is being developed into office spaces, residences, a brewery incubator, and a seven-acre island in the middle of the Tar River. Rocky Mount Mills is a planned mixed-use office and entertainment destination. SpringBoard NC, Inc. and Koi Pond Brewing Company have successfully opened and the family owned sandwich shop and brewery "Sweet Taters" opened in 2016 in the 2,100 square foot millhouse at 1121 Falls Road. The vision is for the Rocky Mount Mills 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.

The Twin Counties Vision and Strategic Plan process (TCSVP) began in the fall of 2011, when Edgecombe County, Nash County, and the City of Rocky Mount partnered to develop a broad-based vision and strategic plan for the future of the Twin Counties Region. The initial goals were to create a shared vision and strategic plan based on the collective quality of life goals that community members have for the region and position the Twin Counties Region to succeed in a globally competitive economy. The Twin Counties Vision and Strategic Plan was released in 2015. Through the process, eight regional goals form the basis of the eight Action Groups goals and objectives. One regional goal is to promote a positive image of the area, by telling a new story that celebrates the assets and culture of the community. The Positive Image group has worked diligently on marketing the "Here's to Success!" campaign. The Twin Counties Vision and Strategic Plan represents a tremendous achievement for our region. The plan's message, both to its stakeholders and to businesses and families looking at the area, is that this community cares about its present and its future.

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. Through this initiative, a federal employee is embedded with city staff to help coordinate the work of Federal inter-agency expert teams deployed to work alongside city leadership, community organizations, local businesses and philanthropic foundations to support the city's visions for economic growth and development. The primary goal is to help the city more effectively invest existing resources, provide advice and expertise in support of local priorities, better align federal programs and investments, and facilitate new partnerships and peer learning opportunities. This initiative will not only strengthen the community now, but it will pave the way for lasting relationships with federal government officials in the future. Rocky Mount was one of 26 communities to participate in Local Foods, Local Places, a federal initiative providing technical support to integrate local food systems into community economic action plans. Through a collaborative implementation effort, a team of agricultural, transportation, environmental, public health, and regional economic experts worked with Rocky Mount stakeholders to develop specific local food projects within the plan. One of the projects identified was the establishment of a local farm school. SC2 has also supported the following successes within the City of Rocky Mount: development of the HUD Capacity Building Workshop, completion of the Monk to Mill Feasibility Study, development of the MOVE Rocky Mount Tiger Grant application, partnership with Department of Defense to connect the Innovative Readiness Training (IRT) program to City plans, finalization of environmental assessments for the Claremont and Beal Street redevelopment projects, development of the Rocky Mount Opportunities and Capacity Team, partnership with the EPA and two local colleges, with the CUPP initiatives for community development and talent creation projects, secured technical assistance funds for CHDO planning, improved partnership and customer service relations with federal partners, and brought federal attention to Rocky Mount by including Rocky Mount projects in the Partnership for Community Service National Training for Federal Executives.

A grand opening of the renovated South Rocky Mount Community Center was held on August 15, 2016. This \$2.2 million dollar project marks the first renovation of the facility since it was originally built in 1979. The renovations inside the center include renovated restrooms, a new security system, kitchen, fully restored weight room, Wi-Fi throughout the facility, and an air-conditioned gym. Improvements will serve as the centerpiece of a concerted effort to improve the lives of residents for the multiple neighborhoods it serves. In addition to providing improved benefits to nearby residents, the renovation may play a significant role in securing private residential redevelopment of the adjacent property, formally home to Claremont Apartments.

**Long-term financial planning.** The City is committed to budget and to expend available resources in a manner that will continue the improvement of the City's fiscal condition and protecting and building reserves for future operating and capital needs. The City focuses on planning and the implementation of strategic initiatives and investments which are designed to improve quality of life and economic development opportunities for all City residents. One of the primary commitments of the City is the long term community redevelopment program to bring back life and energy to the downtown community. Rocky Mount's Central City-focused initiatives of the past two decades have set the groundwork for the redevelopment of downtown Rocky Mount. The Douglas Block, an area that has been the focus of extensive revitalization efforts, is the site selected for the proposed Downtown Community Facility which is expected to add vibrancy to downtown Rocky Mount. The facility will be multipurpose with a specific focus on youth and amateur sports programming, including space for 16 volleyball courts, eight basketball courts, an indoor ropes course, a leadership and development center, a corporate team building environment and classrooms. Other youth and amateur tournaments, dance competitions, concerts, family shows, convention and trade shows, meetings and conferences would be welcome. An estimated \$264 million in new spending over ten years, the creation of 50 new jobs and 200 construction jobs are some of the positive economic expectations. Additionally, 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, has been funded in the 2017 budget.

The City's annual operating budget balances projected revenues from taxes, fees, and other sources with expenditures reflecting ongoing operations, strategic initiatives and other important investments. City Council's established goals and objectives serve as the guide in decision making, along with the City's shared values of excellent public service, excellent customer service, and innovation. The City continues to work to improve the City's fiscal condition and protect City reserves, and desires to balance the budget without an increase to property tax rates to the extent possible. The City has the goal to affirm Rocky Mount as the leader of the Twin County Region by promoting and implementing aggressive initiatives to encourage residential, commercial, and industrial development in and around Rocky Mount. The goal is to strengthen its position as an economic, cultural and educational center in Eastern North Carolina. 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 entered the year with a commitment to fulfill obligations and pursue significant initiatives and opportunities while balancing uncertainty in costs and sources of revenues. With the opening of new businesses and the expansion of others, there has been positive movement in both unemployment and the local economic climate. We anticipate continued growth in sales tax collections in fiscal year 2017 as a result of continued economic growth, locally and state wide. Appeals and adjustments in local property values created an unanticipated shortfall in City property tax revenues for the current fiscal year. Continued efforts were made by staff to reduce operating costs and delay projects as needed to reduce spending and build reserves. The expenditure reduction actions included the holding of 37 vacant positions, limiting increases in operating costs, deferral of capital projects, in addition to reducing CIP debt-funded expenditures in order to reduce the impact of debt payments in the coming years. Departments have carefully managed positions and held vacancies when possible, managed overtime

usage, monitored supplies and equipment, and employed fuel conservation measures. The 2017 budget includes provisional funding to cover the salary and benefit costs for pay for performance increases from 2.5% - 4.5% for all eligible full time employees. The pay for performance is critical to recognize the dedication and service of our employees. The long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities has enabled city management to respond effectively to the current economic climate and upcoming demands with minimal increases to the financial burden of our citizens.

The next year budget reflects funding to support and implement the City Council’s goals. The goals reflect community economic development strategies which will serve to grow the City, spur private investment, and lay a foundation for bold and transformational action. The City continues to work with its financial advisors on future financing of capital projects, debt capacity analysis, and debt affordability options. The City is considering various financing options to fund the cost of large scale projects including street improvements, housing improvements, construction of a downtown community facility, and several other building improvements. Other goals and objectives of City Council are engagement-oriented communication by increasing visibility and distribution of positive information, fostering an inclusive work environment through the Diversity and Inclusion Plan, improvements to technology utilization to consistently be innovative, and reviewing the housing plan to improve the overall condition of residences within the City. There are also funds budgeted to continue the gap funding for the school system, to fund a Downtown Master Plan which will assist with the revitalization of our center city, to improve mobility throughout the City, and to focus on creating safe neighborhoods with the goal of continuing our five-year reduction in crime.

**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 0.40%.

All of the City’s investments at June 30, 2016 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2016, the City’s cash resources were invested as follows:

Cash on hand	\$ 12,025	.01%
Cash in traditional bank accounts	8,355,673	8.90%
Lease escrow funds	5,004,302	5.33%
North Carolina Capital Management Trust	<u>80,502,140</u>	85.76%
Total	<u>\$ 93,874,140</u>	

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

**Pension and other postemployment benefits.** The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized on the level dollar closed method basis. The remaining amortization period at December 31, 2015 was 15 years.

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

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 6.74% for employees not engaged in law enforcement and 7.15% for law enforcement officers. The State announced that the employer contribution rates for fiscal year 2017 would be 7.32% for employees not engaged in law enforcement and increase to 8.00% for law enforcement officers.

All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Eligible employees may make voluntary contributions. State statute requires that the City contribute 5% of annual covered salary for all law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 3% of the employee's covered salary.

The City provides postemployment health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and who meet certain criteria that are more fully described in note 6 of the financial statements. Currently, 189 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2015 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, 2015 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

---

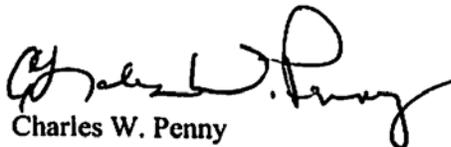
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the twenty-second consecutive 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.

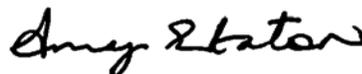
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2015. 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**

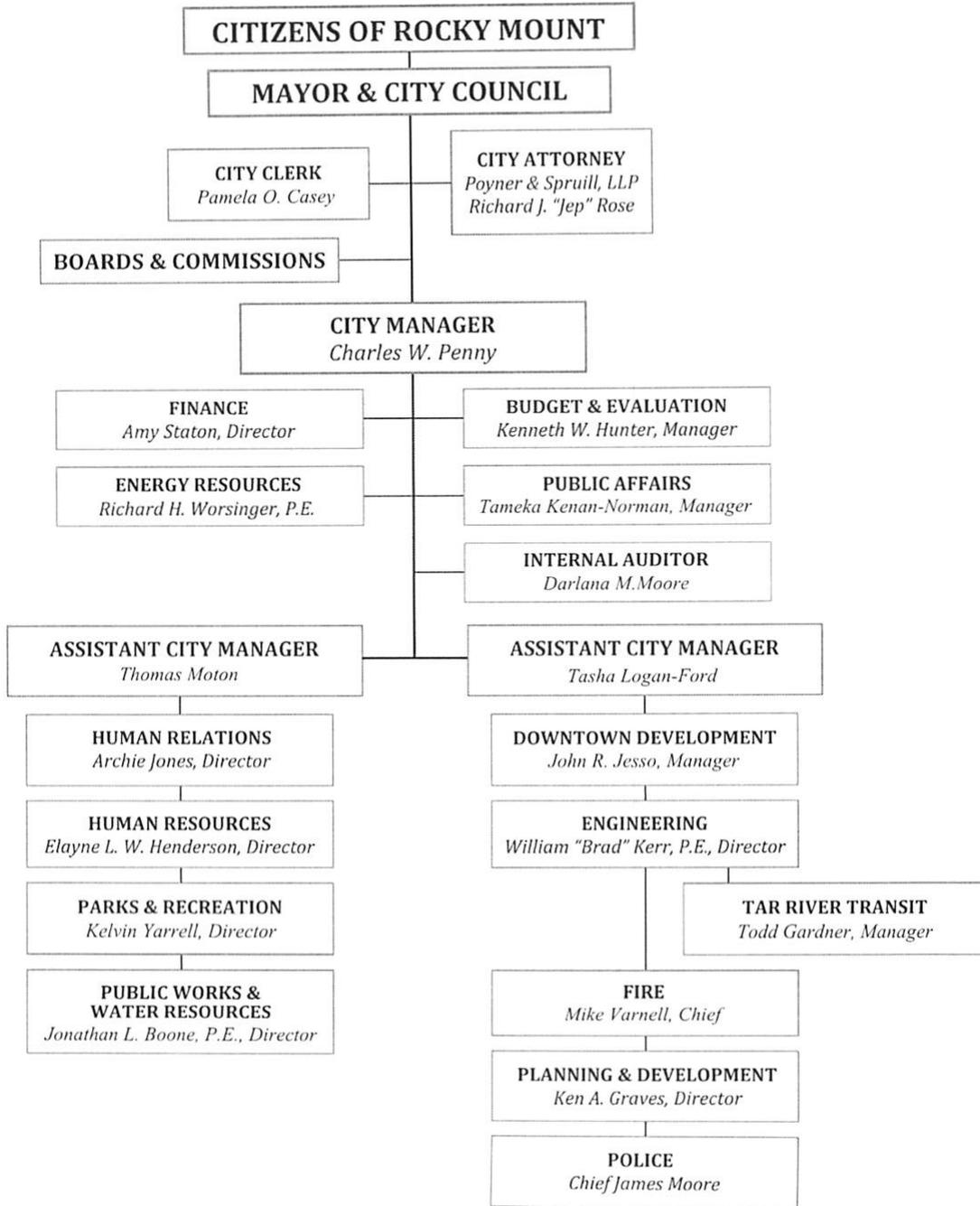
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



# Organization Chart



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

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2016**

### **CITY COUNCIL**

**David W. Combs, Mayor**

**Lamont Wiggins, Mayor Pro-tem**

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

### **CITY ADMINISTRATION**

**Charles W. Penny, City Manager**

**Tasha D. Logan-Ford, Assistant City Manager**

**Thomas M. Moton, Jr., Assistant City Manager**

## **FINANCIAL SECTION**

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



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

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2016, 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 Schedules of Funding Progress, and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, and the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2016, on our consideration of the City of Rocky Mount, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rocky Mount's internal control over financial reporting and compliance.

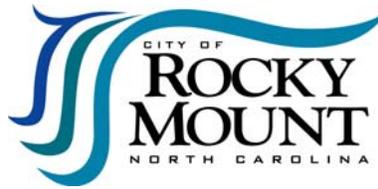
*Martin Starnes & Associates, CPAs, P.A.*

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



## **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, 2016. 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

---

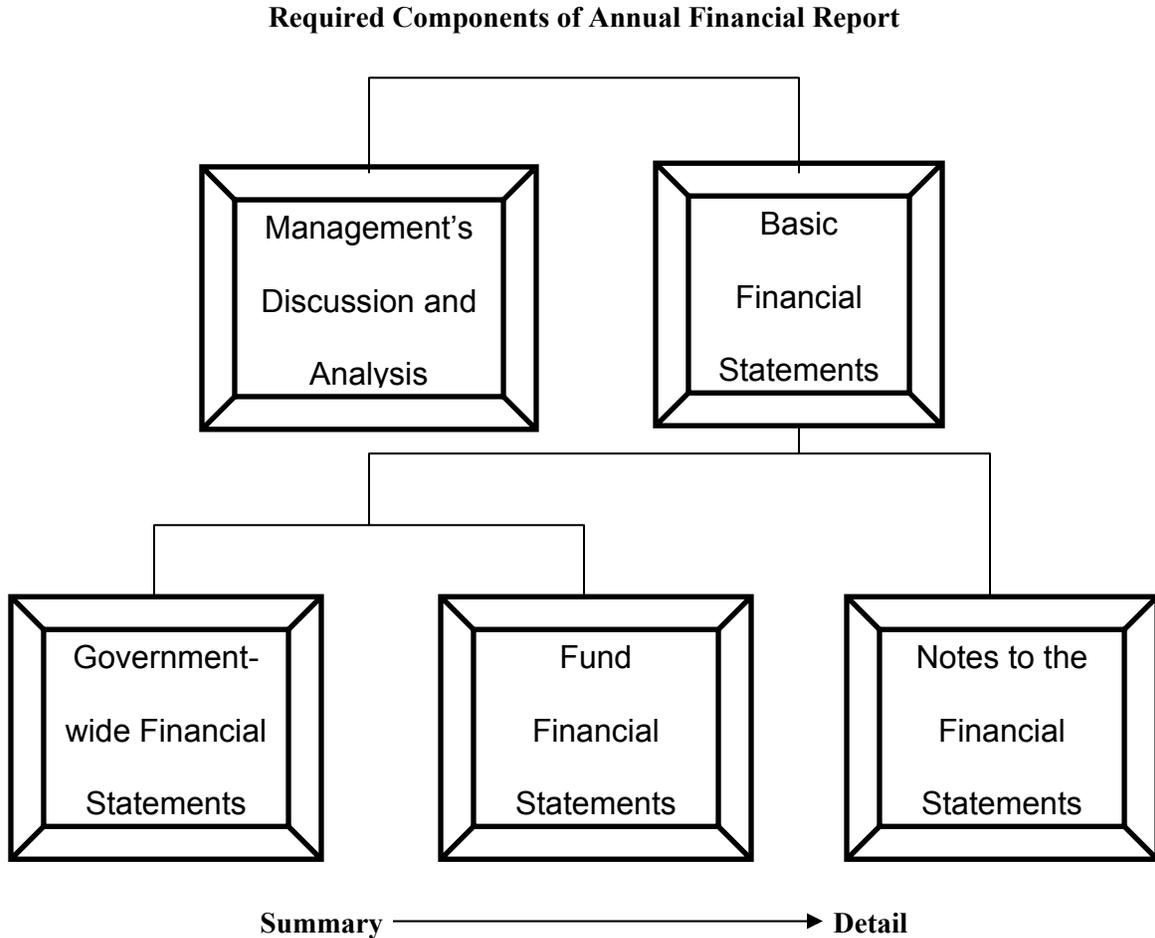
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$323,751,926 (net position). The net position of the governmental activities is \$128,814,477 and the net position of the business-type activities is \$194,937,449.
- The government's total net position grew by 5.8% or an increase of \$17,751,718 due to growth in both governmental and business-type activities net position in the amounts of \$6,655,584 and \$11,096,134, respectively.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$30,164,428, a decrease of \$1,570,378 from the prior year. Approximately, 47% of this total amount or \$14,250,953 is nonspendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of \$194,937,449, an increase of \$11,096,134.
- At the end of the current fiscal year, total unassigned fund balance for the General fund was \$13,739,204 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 35 through 38) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 39 through 53) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

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

## Government-Wide Financial Statements

---

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

The two government-wide statements are the *statement of net position* and the *statement of activities*. Net position is the difference between the City's total assets and deferred outflows of resources and their total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating. The *statement of activities* presents information which shows how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, emergency management, and general administration that are principally supported by taxes and intergovernmental revenues. The business-type activities are those that the City charges user fees to recover all or a significant portion of their costs. These include the electric, gas, water, sewer and stormwater services offered by the City.

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

## Fund Financial Statements

---

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

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

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

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

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

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

## Notes to the Financial Statements and Other Information

---

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 54 of this report.

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

### City of Rocky Mount Statement of Net Position

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Current and other assets	\$ 49,134,288	\$ 46,666,076	\$ 78,146,465	\$ 69,387,363	\$127,280,753	\$116,053,439
Net pension asset	-	3,453,952	-	1,118,762	-	4,572,714
Capital assets	116,167,175	113,644,725	146,709,720	146,719,188	262,876,895	260,363,913
<b>Total assets</b>	<b>165,301,463</b>	<b>163,764,753</b>	<b>224,856,185</b>	<b>217,225,313</b>	<b>390,157,648</b>	<b>380,990,066</b>
<b>Deferred outflows of resources</b>	<b>2,183,229</b>	<b>2,219,519</b>	<b>696,715</b>	<b>718,919</b>	<b>2,879,944</b>	<b>2,938,438</b>
Long-term liabilities	23,877,483	24,915,890	18,325,141	18,689,198	42,202,624	43,605,088
Net pension liability	2,609,759	-	849,108	-	3,458,867	-
Other liabilities	10,130,628	9,890,238	10,853,979	12,547,101	20,984,607	22,437,339
<b>Total liabilities</b>	<b>36,617,870</b>	<b>34,806,128</b>	<b>30,028,228</b>	<b>31,236,299</b>	<b>66,646,098</b>	<b>66,042,427</b>
<b>Deferred inflows of resources</b>	<b>2,052,345</b>	<b>9,019,251</b>	<b>587,223</b>	<b>2,866,618</b>	<b>2,639,568</b>	<b>11,885,869</b>
<b>Net position:</b>						
Net investment in capital assets	99,725,082	96,137,124	134,594,908	132,597,894	234,319,990	228,735,018
Restricted	11,099,682	11,808,330	-	-	11,099,682	11,808,330
Unrestricted	17,989,713	14,213,439	60,342,541	51,243,421	78,332,254	65,456,860
<b>Total net position</b>	<b>\$ 128,814,477</b>	<b>\$ 122,158,893</b>	<b>\$ 194,937,449</b>	<b>\$ 183,841,315</b>	<b>\$323,751,926</b>	<b>\$306,000,208</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$323,751,926 as of June 30, 2016. The City's net position increased by \$17,751,718 for the fiscal year ended June 30, 2016. The largest portion of net position, 72%, 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, 3% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 25% 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 \$5,584,972 in the category of net position for net investment in capital assets. The increase in net investment in capital assets represents 3% of total current year expenses. Net investment in capital assets is made up of several components: capital assets, current and long-term debt, and unexpended debt proceeds. The increase in the net investment in capital assets in the current year is primarily due to increases in capital assets and unexpended debt proceeds offset by reductions in outstanding debt. Compared to the prior year, restricted net position decreased by \$708,648. This is due to a combination of the increase in restricted for State statute related to grants receivable and a decrease in the amount restricted for Powell Bill funds for streets. The unrestricted net position increased by \$12,875,394 compared to the prior year mainly as a result of net operating income after transfers in the proprietary funds for the current year with minimal increase in proprietary net investment in capital assets.
- The total increase in net position was \$17,751,718 for the year. The total increase in net position for the year was \$2,843,702 more than the growth in net position from the prior year. The change was influenced by a decrease in revenues in total by \$12,828,121 or 6.2% compared to the prior year and a decrease in expenses in total by \$15,671,823 or 8.1% compared to the prior year. The governmental activities had an increase in revenues of \$4,192,404 while the business type activities experienced a decrease in revenues of \$17,020,525. Charges for service had a decrease of \$13,959,782 or 8.8%. There was an increase in operating grants and contributions of \$1,392,477 or 25.9% over the prior year mainly as a result of increased spending and reimbursements in community development. There was a decrease in capital grants and contributions of \$44,042 or 5.8% compared to the prior year.
- Ad valorem tax revenue increased by \$750,420 compared to the prior year. The tax rate in the current year is \$0.605, per \$100 of assessed value, which was a \$.0205 increase over the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.68% for property excluding motor vehicles, which was a slight decrease compared to the prior year. The statewide average for other municipalities with a population of 50,000 and above is 97.75%. The statewide collection percentage is based on 2015 statewide data and is the most recently published percentage and showed an increase of 0.52% from 2014. The City is slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 1.07% of the statewide average which was a decrease from the prior year difference. The collection percentage continues to be impacted by unemployment and economic conditions.

## Changes in Net Position

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

**Figure 3:**

### City of Rocky Mount Changes in Net Position

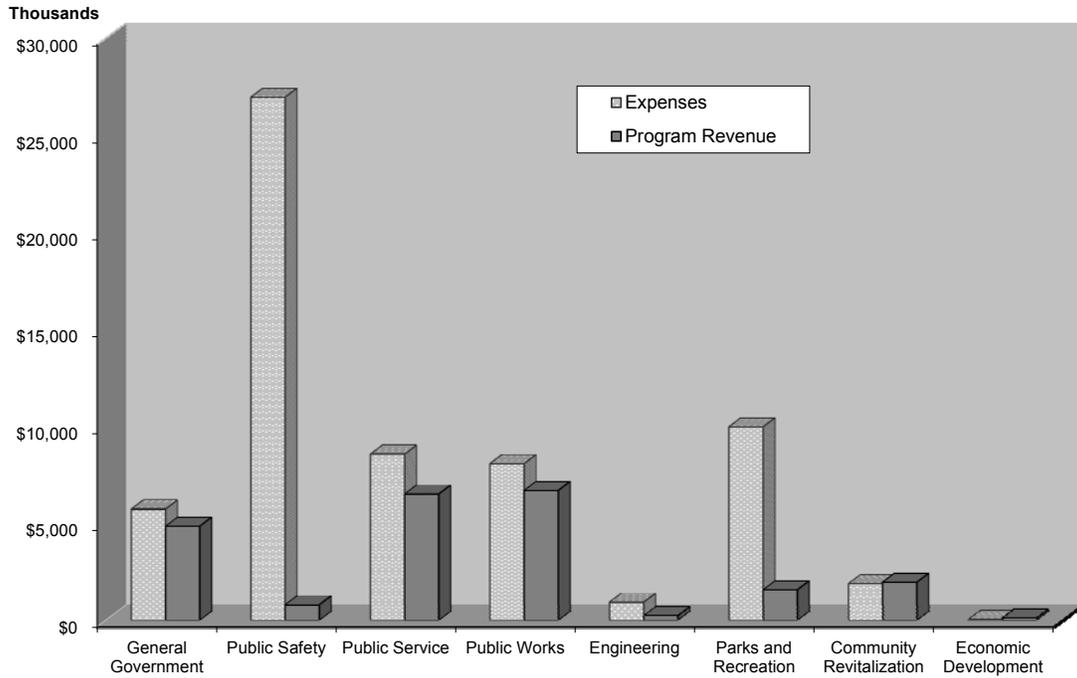
	Governmental Activities 2016	Governmental Activities 2015	Business- type Activities 2016	Business- type Activities 2015	Total 2016	Total 2015
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 15,260,883	\$ 12,100,451	\$ 130,316,812	\$ 147,437,026	\$ 145,577,695	\$ 159,537,477
Operating grants and contributions	6,766,148	5,373,671	-	-	6,766,148	5,373,671
Capital grants and contributions	718,009	762,051	-	-	718,009	762,051
<b>General revenues:</b>						
Property taxes	24,034,407	23,283,987	-	-	24,034,407	23,283,987
Other taxes	15,208,805	14,236,646	-	-	15,208,805	14,236,646
Other	3,053,458	5,092,500	192,205	92,516	3,245,663	5,185,016
<b>Total Revenues</b>	<b>65,041,710</b>	<b>60,849,306</b>	<b>130,509,017</b>	<b>147,529,542</b>	<b>195,550,727</b>	<b>208,378,848</b>
<b>Expenses:</b>						
General government	5,737,117	4,615,284	-	-	5,737,117	4,615,284
Public safety	26,975,314	25,597,650	-	-	26,975,314	25,597,650
Parks and recreation	9,977,191	8,938,049	-	-	9,977,191	8,938,049
Public works	8,077,219	10,706,055	-	-	8,077,219	10,706,055
Engineering	932,529	583,199	-	-	932,529	583,199
Public service	8,562,021	5,997,352	-	-	8,562,021	5,997,352
Economic development	31,056	136,816	-	-	31,056	136,816
Community revitalization	1,884,490	699,439	-	-	1,884,490	699,439
Interest on long-term debt	444,951	448,397	-	-	444,951	448,397
Electric	-	-	69,017,466	87,658,327	69,017,466	87,658,327
Gas	-	-	20,071,951	21,526,873	20,071,951	21,526,873
Water	-	-	10,065,328	10,170,488	10,065,328	10,170,488
Sewer	-	-	12,673,511	13,050,143	12,673,511	13,050,143
Stormwater	-	-	3,348,865	3,342,760	3,348,865	3,342,760
Component unit	-	-	-	-	-	-
<b>Total Expenses</b>	<b>62,621,888</b>	<b>57,722,241</b>	<b>115,177,121</b>	<b>135,748,591</b>	<b>177,799,009</b>	<b>193,470,832</b>
Change in net position before transfers	2,419,822	3,127,065	15,331,896	11,780,951	17,751,718	14,908,016
Transfers	4,235,762	3,660,250	(4,235,762)	(3,660,250)	-	-
<b>Change in Net Position</b>	<b>6,655,584</b>	<b>6,787,315</b>	<b>11,096,134</b>	<b>8,120,701</b>	<b>17,751,718</b>	<b>14,908,016</b>
Net Position, July 1	122,158,893	194,937,449	183,841,315	177,433,399	306,000,208	372,370,848
Net Position, July 1, as restated	122,158,893	115,371,578	183,841,315	175,720,614	306,000,208	291,092,192
<b>Net Position, June 30</b>	<b>\$ 128,814,477</b>	<b>\$ 122,158,893</b>	<b>\$ 194,937,449</b>	<b>\$ 183,841,315</b>	<b>\$ 323,751,926</b>	<b>\$ 306,000,208</b>

**Governmental activities:** Governmental activities increased the City's net position by \$6,655,584, representing 38% 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 \$4,192,404 or 7% compared to the prior year. The increase in revenue is the result of increases in charges for services of \$3,160,432 or 26% and operating grants and contributions of \$1,392,477 or 26% compared to last year. The increase in charges for services primarily reflects the allocation of funds to the Internal Service fund for Communications for the radio project totaling \$2,788,000. The increase in operating grants and contributions reflects an increase in state and federal grant funding. General revenues decreased overall by \$316,463, less than 1%.
- Total expenses for governmental activities increased \$4,899,647 or 8% compared to the prior year. There were increases in expenses for general government, public safety, parks and recreation, public service, engineering, and community revitalization totaling \$7,637,689 or 16% over the prior year. General government expenses increased by \$1,121,833 due in part to increased technology services expenses, recabling of city facilities, and an increase in retiree insurance funding. Public safety reflected a total increase of \$1,377,664 inclusive of increases in wages and capital purchases for motor vehicles and two fire trucks. Parks and recreation reflected less capitalized items over the prior year which along with expenses for the South Rocky Mount Community Center renovation resulted in an increase of \$1,039,142 for the function. Public service expenses increased by \$2,564,669 mainly as a result of street resurfacing projects and road improvements at the newly renovated South Rocky Mount Community Center. Community revitalization expenses were higher than the prior year by an increase of \$1,185,051 due to an increased focus on entitlement grant spending. Public works had expense reductions in heavy motorized equipment and roll out cart purchases which contributed to the overall decrease of \$2,628,836 from the prior year.

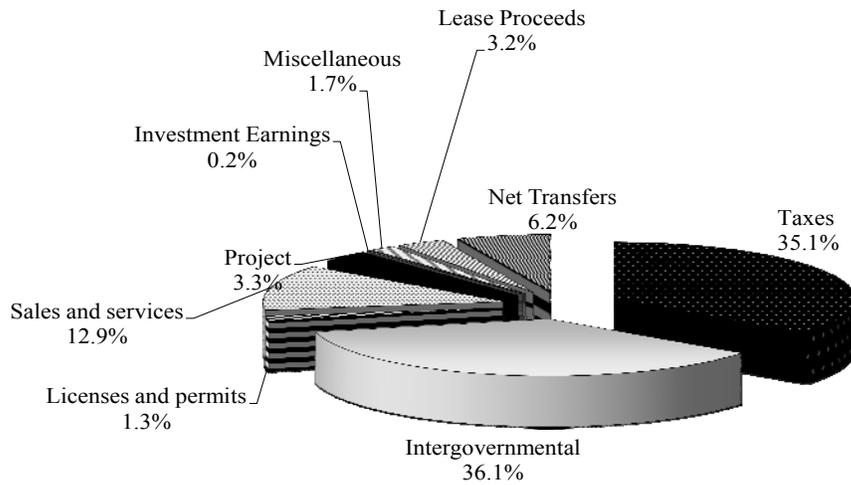
**Figure 4:**

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



**Figure 5:**

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

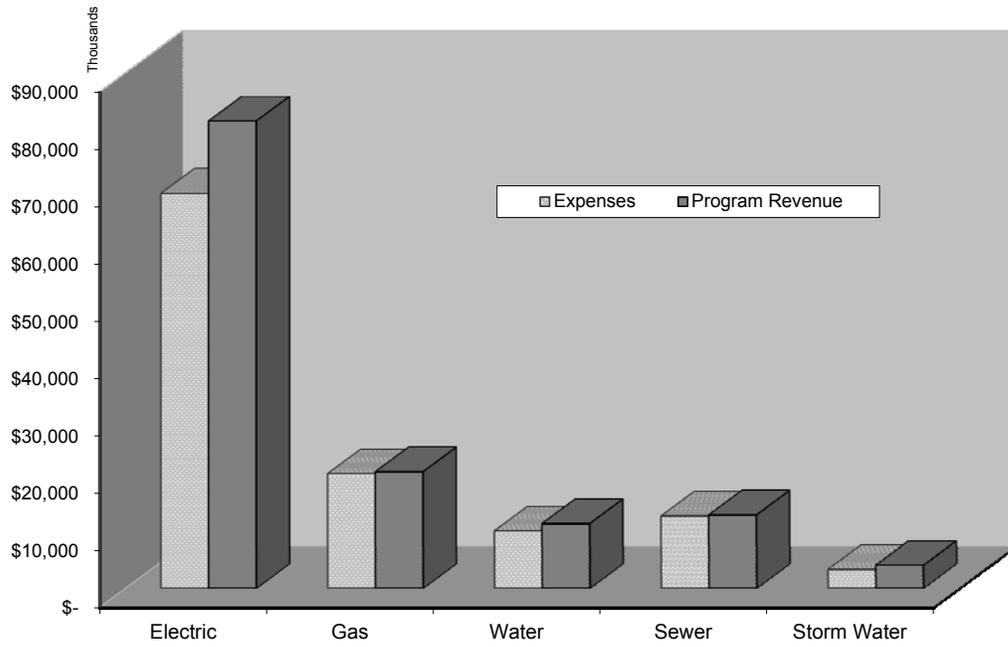


**Business-type activities:** Business-type activities increased the City's net position by \$11,096,134, representing 62% of the growth in the City's total net position. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities decreased \$17,020,525 compared to the prior year. Charges for sales and services for business-type activities decreased by a combined \$17,120,214 compared to the prior year. Of the total charges for sales and services, electric revenue decreased by \$11,469,019 or 12% from the prior year due to rate reductions relating to the sale of NCEMPA generation assets to Duke Energy Progress. Natural gas revenue decreased \$6,803,363 or 25% from the prior year due to reduced usage and rate reductions. Water and sewer revenues increased by \$394,703 and \$785,698, at 4% and 7% respectively due to rate increases. Stormwater revenue reflected little change.
- Total expenses for business-type activities decreased \$20,571,470 compared to the prior year. Total Electric expenses decreased by \$18,640,861 or 21% mainly due to decreases in the cost of purchased power relating to the sale of the NCEMPA generation assets. Total Gas expenses decreased 1,454,922 or 7% due to lower natural gas costs. Total Water expenses decreased by \$105,160 or 1% from the prior year. Total Sewer expenses decreased by \$376,632 or 3% because there was no appropriation to the school system. Total Stormwater expenses reflected little change.
- The business-type activities transferred net funds to the governmental funds totaling \$4,235,762. This is an increase of \$575,512 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was an increase of \$11,096,134. All business-type operations resulted in net operating income after transfers with the exception of Gas. The change in net position for Electric, Gas, Water, Sewer, and Stormwater was \$11,013,467, (\$1,742,437), \$814,998, \$207,072, \$803,034 respectively. The change in net position for the current year compared to the change in net position for the prior year increased \$2,975,433 which added to the net position for the business-type activities.

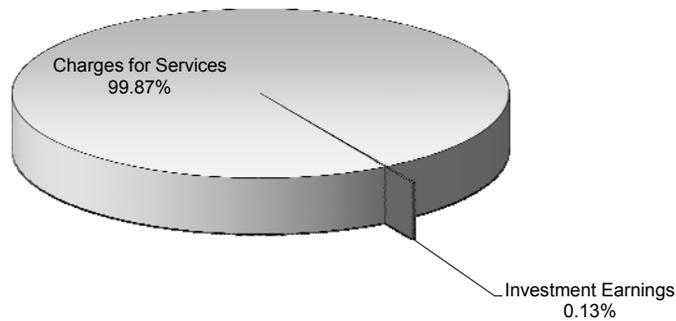
**Figure 6:**

**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 \$30,164,428, a decrease of \$1,570,378 in comparison with the prior year. Of this amount, \$13,457,639, or 45% is unassigned fund balance. The unassigned fund balance is available for spending at the government's discretion. Fund balance is categorized into four other categories: nonspendable, restricted, committed, and assigned. Please refer to note 1 under the fund balance section for information about fund balance categories. The current year fund balance that is nonspendable is \$665,755. The current year fund balance that has been restricted is \$13,585,198. The current year fund balance that has been committed is \$669,263. The current year fund balance that has been assigned is \$1,786,573 and it is designated for subsequent year's expenditures.

The General fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General fund was \$13,739,204 while total General fund balance was \$27,286,312. 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 46% of that same amount.

At June 30, 2016, the governmental funds of the City reported a combined fund balance of \$30,164,428, a 5% decrease from last year. Included in this change in fund balance is an increase in fund balance in the General fund by \$641,861 and a decrease of \$2,212,239 in the nonmajor governmental funds. Special Revenue funds increased by \$4,970 and Capital Project funds decreased by \$2,217,209. Within the Special Revenue funds, there was an increase in fund balance for Entitlement Grants, Economic Development, and Occupancy Tax and decreases in all of the remaining funds. The fund balance in the Capital Project funds decreased in total with the General Capital Project fund decreasing and the General Capital Development Projects fund showing an 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 \$33,913. Ad valorem tax revenues were less than budget due to valuation adjustments. Intergovernmental revenues were more than budget by \$188,402 due to increased sales tax and franchise tax distributions coupled with decreases in expected amount for State grants. Licenses and permits along with sales and service revenues were slightly higher than budget, as was investment earnings. Miscellaneous revenues were more than budget by \$324,951 impacted mainly by increased rental revenues and expense reimbursements.

The actual operating expenses for the General fund were less than the budget amount by \$6,092,270. The most significant savings were realized due to funds appropriated to projects that was unspent at fiscal year end. There were efforts made by staff to reduce spending to offset the ad valorem tax reductions. General government departments have expenditures less than the budget of \$1,879,327. Within the general government departments, the finance department has expenditures less than the budget of \$313,641. This is primarily due to reduced operating expenses. The central services division has expenditures less than the budget of \$168,483 due to unspent facility capital items. Mayor and council has expenditures less than the budget of \$215,951 which is mainly due to the contingency budget that was not expended. Planning and development has expenditures less than the budget of \$372,061 which is mainly due to the funds budgeted for economic redevelopment, neighborhood redevelopment, and strategic initiatives approved by City Council not being fully expended by year end. There were budget savings within public safety with expenditures less than the budget by \$516,838. Of this amount, the police department has expenditures less than budget of \$160,186 for operating and capital items, and the fire department has expenditures less than budget of \$356,652. The public works department has expenditures less than the budget of \$1,000,938 in part due to unspent capital items and salary savings. Of the amount unspent on capital items, \$1,191,962 was re-appropriated in 2017. There were savings within public service of \$1,960,310 as a result of not spending allocated Powell Bill funds. Of this amount, \$594,611 was re-appropriated to fiscal year 2016 for public service.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year amounted to \$28,469,466 for the Electric fund, \$12,521,724 for the Gas fund, \$9,470,173 for the Water fund, \$7,987,653 for the Sewer fund, and \$1,893,525 for the Stormwater fund. The total growth of net position was \$11,013,467, \$814,998, \$207,072, and \$803,034 for the Electric, Water, Sewer, and Stormwater funds, respectively. Net position was reduced by \$1,742,437 for the Gas fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## Capital Asset and Debt Administration

---

**Capital assets.** The City's capital assets for its governmental and business-type activities as of June 30, 2016, totals \$262,876,895 (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

- Street resurfacing and road improvements \$2,122,084
- Streets-2016 John Deere motor grader \$177,469
- Streets-2015 International 4300 \$76,995
- Parks & recreation-South Rocky Mount Community Center renovation \$1,495,775
- Parks & recreation-BTW Complex HVAC upgrade \$886,855
- Parks & recreation-John Deere 7700A mower \$50,726
- Fire- custom pumps (2) \$899,986
- Internal Service - communication-radio system upgrade project \$629,815. Total expended over the life of the project \$664,943
- Internal Service - communication-telephone system upgrade \$233,372
- Police- patrol vehicles (12) \$460,767
- Environmental services-2016 Crane carrier low entry cab/chassis (2) \$317,328
- Environmental services-2015 Caterpillar 950 \$258,252
- Environmental services-2016 International 4300 Knuckleboom \$131,484
- Environmental services-2017 International Pro Star tractor \$107,416
- Environmental services-2016 Summit SD 30 dump trailers (2) \$80,776
- Transit- fleet vehicles (4) \$365,654
- E911 consoles \$156,839
- Technology services-recabling of city facilities \$135,054
- Bus station renovations \$192,105

## Proprietary Funds:

### Additions

- Electric Distribution-transmission pole replacement \$942,578
- Electric Distribution-2016 Digger Derrick truck \$272,918
- Electric Distribution-distribution lines-overhead \$130,662
- Electric Distribution-distribution lines-underground \$119,089
- Electric Distribution-Vermeer RTX750 tractor \$97,340
- Electric Distribution-2015 CASE 580SN backhoe \$86,689
- Electric Distribution-Ditchwitch FX20 vacuum excavator w/trailers (2) \$53,835
- Electric Energy Services- diesel generator \$415,482
- Electric Energy Services- generator rebuild \$190,048
- Gas Distribution-gas mains \$493,000
- Gas Distribution-gas meters \$78,719
- Water-water tank maintenance \$215,467
- Water-trailer mounted trash pump \$68,799
- Water-water meters \$61,100
- Water-Southern Connector-Kingston \$140,000
- Sewer-pump station upgrade \$510,297
- Sewer-sewer mains- \$346,863
- Sewer-Hyundai metric ton excavator \$136,016
- Sewer-2015 Ford camera van TV inspection system \$206,481
- Sewer-Southern Connector-Kingston \$260,000
- Stormwater-culvert replacement \$372,144
- Stormwater-land acquisition \$336,398
- Stormwater-Johnston vacuum sweeper \$219,014
- Stormwater-Kubota boom mowing tractor cab \$122,563
- Stormwater-John Deere track excavator \$69,300
- Stormwater-storm drainage replacement \$55,453

**Figure 8:**

	<b>City of Rocky Mount Capital Assets</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 7,002,346	\$ 7,567,985	\$ 3,221,286	\$ 2,866,798	\$ 10,223,632	\$ 10,434,783
Building	42,100,662	41,546,382	36,391,739	37,456,465	78,492,401	79,002,847
Improvements other than buildings	11,083,877	12,088,540	534,511	540,641	11,618,388	12,629,181
Machinery and equipment	13,490,610	12,642,474	20,744,089	21,327,939	34,234,699	33,970,413
Infrastructure	40,957,560	39,546,990	84,704,448	83,200,475	125,662,008	122,747,465
Construction in progress	1,532,120	252,354	1,113,647	1,326,870	2,645,767	1,579,224
Total Capital Assets (net of accumulated depreciation)	\$ 116,167,175	\$ 113,644,725	\$ 146,709,720	\$ 146,719,188	\$ 262,876,895	\$ 260,363,913

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 to 15 year terms for both the governmental and business-type activities. At June 30, 2016, the City had installment leases outstanding of \$25,442,397. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$100,000 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 \$1,930,000 for a HUD loan that has been used to finance the Douglas Block redevelopment, and debt obligations in the amount of \$1,009,857 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 \$6,088,810.

**Figure 9:**

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	Installment purchases	\$ 16,967,327	\$ 18,578,800	\$ 8,475,070	\$ 8,845,333	\$ 25,442,397
Other debt	3,039,857	3,728,760	-	-	3,039,857	3,728,760
Revolving Loans	-	-	6,088,810	6,518,239	6,088,810	6,518,239
Total	\$ 20,007,184	\$ 22,307,560	\$ 14,563,880	\$ 15,363,572	\$ 34,571,064	\$ 37,671,132

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 \$319,049,524.

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 2017.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 7.5% at June 30, 2016. This is a 1.4% reduction in the unemployment rate compared to the prior year.
- Our City experienced a year of positive growth in several areas. The most notable sources of revenue growth originated from local option sales tax and from the utility sales tax implemented by the State to replace the former utilities franchise tax. Both have exceeded our projections for the current year, and they are expected to maintain this year's level, or grow slightly, in fiscal year 2017.

### Budget Highlights for the Fiscal Year Ending June 30, 2017

**Governmental Activities:** The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2017, the budget increased 2.9% 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 FY 2017 and the rate remains at \$.605. Fees and charges for services remain stable. Solid waste services provided by the Public Works department represent our largest fee-supported operation in the General fund. Rates charged for use of the solid waste transfer station increased by 2% in order to offset increased costs of contracted disposal services. The 2017 budget incorporates an increase in the motor vehicle license fee from \$5 to \$25. The General Assembly granted municipalities permission to increase the rate up to \$30 last year. The requirements for the increased revenue are that it be allocated directly to transit and road improvements. Limited growth in Powell Bill revenues limit the City's ability to resurface City roads to once per two years, with the most recent round of resurfacing taking place in fiscal year 2016. The next resurfacing round is scheduled for fiscal year 2018 and will incorporate the resurfacing allocation in that year's budget with retained fund balance from the prior year. This source of funding is also required to cover the City match for NCDOT-funded widening projects and sidewalk and intersection improvements funded with Congestion Mitigation and Air Quality (CMAQ) grant funds. Interest revenues, while slowly improving, continue to underperform due to historically low interest rates, a trend unlikely to change in the foreseeable future.

Budgeted expenditures in the governmental activities increased by 2.9%. City Council's established goals and objectives serve as the guide in the City's decision making, along with the shared values of excellent public service, excellent customer service, and innovation. The budget focuses available resources to continue the improvement of the City's fiscal condition and protecting reserves; to continue planning and implementation of strategic initiatives and investments designed to improve quality of life and economic development opportunities for all City residents; to affirm Rocky Mount as the leader of the Twin County Region and strengthen its position as an economic, cultural and educational center in Eastern North Carolina; to maintain competitive compensation and benefits to recruit and retain skilled and high-performing employees; and implementing service delivery innovations improving quality of service while reducing future costs. Continued initiatives, as part of the 2017 budget, include funding for the

implementation of the Twin Counties Visioning Campaign, design and development of a new downtown master plan, additional road resurfacing projects, improvements to the bus station, a property/evidence officer position for police department, providing patrol officers with body worn cameras, and improvements to training facilities in both police and fire related to live event simulation program. The budget also provides funding for continuing work on catalytic projects for growth in the central City.

Employee compensation, including pay and benefits, represents 29.2% of the City's operating budget. The 2017 budget froze 28 General Fund positions and created the property/evidence officer position. The 2017 budget does include provisional funding to cover the salary and benefit costs for pay for performance increases from 2.5% - 4.5% for all eligible full time employees. The pay for performance is critical to recognize the dedication and service of our employees. The 2017 budget also provides for implementation of a 3% increase in the salary and wage levels established by our pay grades. This will increase starting pay for vacant positions thus enabling the City to be more attractive in recruiting talent. The City provides a wellness program where employees are eligible for a discount on their health insurance premium if they participate and meet minimum requirements during a voluntary health screening program. The biometric screening program has expanded to include retirees, as well as requirements for discounted benefits. Capital project funding is limited; however, the priority in capital expenditures is to provide funding to adequately complete projects that are already underway or for which a commitment has been made.

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

**Business-type Activities:** The business-type funds' fiscal year 2017 budget decreased 1.8% from the fiscal year 2016 adopted budget. Charges for service represent the largest revenues in the business-type funds. Electric and Gas funds both have lowered budgets due to the reduction in purchased power costs. No Water fund rate or fee increases are proposed; however, revenues are projected to increase based on 2016 performance. The fiscal year 2017 budget for the Sewer fund includes the third step of implementing the four-year plan to raise the outside city sewer rates. No change in fees has been budgeted for Stormwater. 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 2%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. The fiscal year 2017 budget for Electric includes funds for substation refurbishments along with \$3 million for the LED streetlight and area light replacement project. The Gas fund's budget includes heavy equipment capital funding and \$950,000 for service extensions and improvements. The City is freezing 2 positions vacant in Water Resources, 4 in Stormwater, and 3 in Energy Resources. An asset management plan continues to evaluate the condition of our water and sewer infrastructures. Numerous capital projects in the coming years will focus on essential needs to repair and replace outdated and problematic equipment and distribution channels. The 2017 Water fund's budget allows for replacement of water treatment pumps, water mains, and continued repainting of water tanks. The Sewer fund budget includes maintenance and refurbishment of screw pumps, system rehabilitation, and chlorine equipment at the Wastewater Treatment plant. These projects will require substantial investments, primarily in current revenues, in order to complete in a timely and consistent manner. These adjustments are necessary in order to maintain integrity of the system and in fulfilling regulatory compliance requirements.

## **Requests for Information**

---

This report is designed to provide an overview of the City's finances. Questions concerning 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, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents/ investments	\$ 20,655,824	\$ 54,401,867	\$ 75,057,691
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,570,195	-	1,570,195
Taxes-other	8,104	-	8,104
Customers	773,539	13,282,646	14,056,185
Other governmental agencies	3,728,468	-	3,728,468
Internal balances	(412,565)	412,565	-
Notes receivable	-	14,117	14,117
Assessments	3,785,344	204,594	3,989,938
Other	5,986,851	167,085	6,153,936
Prepaid items	366,737	-	366,737
Inventories	405,755	1,722,098	2,127,853
Restricted cash and investments	10,210,285	7,941,493	18,151,778
Total current assets	47,078,537	78,146,465	125,225,002
Noncurrent Assets:			
Investment in joint venture - RMW Airport	2,055,751	-	2,055,751
Capital Assets:			
Nondepreciable	8,534,466	4,334,933	12,869,399
Depreciable, net	107,632,709	142,374,787	250,007,496
Total capital assets	116,167,175	146,709,720	262,876,895
Total noncurrent assets	118,222,926	146,709,720	264,932,646
Total assets	165,301,463	224,856,185	390,157,648
<b>Deferred Outflows of Resources:</b>			
Contributions to pension plan in current fiscal year	2,183,229	696,715	2,879,944
Total deferred outflows of resources	2,183,229	696,715	2,879,944
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable and accrued expenses	3,858,439	6,832,028	10,690,467
Current compensated absences	1,906,952	580,563	2,487,515
Current maturities of long-term debt	4,365,237	3,441,388	7,806,625
Total current liabilities	10,130,628	10,853,979	20,984,607

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	341,375	5,492,425	5,833,800
Accrued compensated absences	1,699,885	155,777	1,855,662
Long-term debt	21,836,223	12,676,939	34,513,162
Net pension liability	2,609,759	849,108	3,458,867
Total noncurrent liabilities	<u>26,487,242</u>	<u>19,174,249</u>	<u>45,661,491</u>
Total liabilities	<u>36,617,870</u>	<u>30,028,228</u>	<u>66,646,098</u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	103,231	-	103,231
Unspent cable franchise agreement	108,991	-	108,991
Pension deferrals	1,840,123	587,223	2,427,346
Total deferred inflows of resources	<u>2,052,345</u>	<u>587,223</u>	<u>2,639,568</u>
<b>Net Position:</b>			
Net investment in capital assets	99,725,082	134,594,908	234,319,990
Restricted for:			
Stabilization by State statute	7,037,703	-	7,037,703
Streets	3,717,191	-	3,717,191
Public safety	198,083	-	198,083
Parks and recreation	146,705	-	146,705
Unrestricted	17,989,713	60,342,541	78,332,254
Total net position	<u>\$ 128,814,477</u>	<u>\$ 194,937,449</u>	<u>\$ 323,751,926</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, 2016**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 5,737,117	\$ 4,832,656	\$ 17,058	\$ -
Public safety	26,975,314	327,997	470,814	-
Public works	8,077,219	6,690,067	5,000	-
Engineering	932,529	34,578	204,196	-
Parks and recreation	9,977,191	1,360,969	187,326	22,350
Public service	8,562,021	2,014,616	3,801,441	695,659
Economic development	31,056	-	118,994	-
Community revitalization	1,884,490	-	1,961,319	-
Interest on long-term debt	444,951	-	-	-
Total governmental activities	<u>62,621,888</u>	<u>15,260,883</u>	<u>6,766,148</u>	<u>718,009</u>
<b>Business-Type Activities:</b>				
Electric	69,017,466	81,661,205	-	-
Gas	20,071,951	20,390,319	-	-
Water	10,065,328	11,348,246	-	-
Sewer	12,673,511	12,848,730	-	-
Storm water management	3,348,865	4,068,312	-	-
Total business-type activities	<u>115,177,121</u>	<u>130,316,812</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 177,799,009</u>	<u>\$ 145,577,695</u>	<u>\$ 6,766,148</u>	<u>\$ 718,009</u>

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Functions/Programs</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (887,403)	\$ -	\$ (887,403)
Public safety	(26,176,503)	-	(26,176,503)
Public works	(1,382,152)	-	(1,382,152)
Engineering	(693,755)	-	(693,755)
Parks and recreation	(8,406,546)	-	(8,406,546)
Public service	(2,050,305)	-	(2,050,305)
Economic development	87,938	-	87,938
Community revitalization	76,829	-	76,829
Interest on long-term debt	(444,951)	-	(444,951)
Total governmental activities	<u>(39,876,848)</u>	<u>-</u>	<u>(39,876,848)</u>
<b>Business-Type Activities:</b>			
Electric	-	12,643,739	12,643,739
Gas	-	318,368	318,368
Water	-	1,282,918	1,282,918
Sewer	-	175,219	175,219
Storm water management	-	719,447	719,447
Total business-type activities	<u>-</u>	<u>15,139,691</u>	<u>15,139,691</u>
Total primary government	<u>(39,876,848)</u>	<u>15,139,691</u>	<u>(24,737,157)</u>
General revenues:			
Taxes:			
Ad valorem taxes	24,034,407	-	24,034,407
Local option taxes	10,455,857	-	10,455,857
Franchise taxes	4,133,398	-	4,133,398
Telecommunication taxes	619,550	-	619,550
Miscellaneous	2,946,466	-	2,946,466
Investment earnings	106,992	192,205	299,197
Total general revenues	<u>42,296,670</u>	<u>192,205</u>	<u>42,488,875</u>
Transfers	4,235,762	(4,235,762)	-
Total general revenues and transfers	<u>46,532,432</u>	<u>(4,043,557)</u>	<u>42,488,875</u>
Change in net position	6,655,584	11,096,134	17,751,718
<b>Net Position:</b>			
Beginning of year - July 1	<u>122,158,893</u>	<u>183,841,315</u>	<u>306,000,208</u>
End of year - June 30	<u>\$ 128,814,477</u>	<u>\$ 194,937,449</u>	<u>\$ 323,751,926</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>Major Fund</u>		<u>Nonmajor</u>		<u>Total</u>
	<u>General</u>		<u>Governmental</u>		<u>Governmental</u>
			<u>Funds</u>		<u>Funds</u>
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 19,506,533	\$	1,149,291	\$	20,655,824
Receivables, net of allowance for uncollectible accounts:					
Ad valorem taxes	1,559,121		11,074		1,570,195
Other taxes	8,104		-		8,104
Customers	773,539		-		773,539
Other governmental agencies	3,097,227		631,241		3,728,468
Due from other funds	130,526		-		130,526
Assessments	3,785,344		-		3,785,344
Other	5,511,156		462,245		5,973,401
Prepaid items	-		260,000		260,000
Inventories	405,755		-		405,755
Restricted cash and investments	5,751,438		792,644		6,544,082
Total assets	<u>\$ 40,528,743</u>	<u>\$</u>	<u>3,306,495</u>	<u>\$</u>	<u>43,835,238</u>
<b>Liabilities, Deferred Inflows, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 3,355,969	\$	286,279	\$	3,642,248
Due to other funds	412,565		130,526		543,091
Liabilities to be paid from restricted assets	<u>340,875</u>		<u>500</u>		<u>341,375</u>
Total liabilities	<u>4,109,409</u>		<u>417,305</u>		<u>4,526,714</u>
<b>Deferred Inflows of Resources:</b>					
Assessments receivable	3,785,344		-		3,785,344
Taxes receivable	1,559,121		11,074		1,570,195
Miscellaneous receivables	3,576,335		-		3,576,335
Prepaid taxes	103,231		-		103,231
Unspent cable franchise agreement	<u>108,991</u>		<u>-</u>		<u>108,991</u>
Total deferred inflows of resources	<u>9,133,022</u>		<u>11,074</u>		<u>9,144,096</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<b>Major Fund</b>	<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Governmental</b>	<b>Governmental</b>
		<b>Funds</b>	<b>Funds</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories	405,755	-	405,755
Prepaid items		260,000	260,000
<b>Restricted:</b>			
Stabilization by State statute	5,944,217	1,093,486	7,037,703
Streets	3,717,191	-	3,717,191
Future capital projects	1,693,372	792,144	2,485,516
Public safety	-	198,083	198,083
Parks and recreation	-	146,705	146,705
<b>Committed:</b>			
Public service	-	285,493	285,493
Future capital projects	-	383,770	383,770
<b>Assigned:</b>			
Subsequent year's expenditures	1,786,573	-	1,786,573
<b>Unassigned:</b>			
General fund	13,739,204	-	13,739,204
Public safety		(23,676)	(23,676)
Future capital projects	-	(100,445)	(100,445)
Community revitalization	-	(157,444)	(157,444)
Total fund balances	27,286,312	2,878,116	30,164,428
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,528,743	\$ 3,306,495	\$ 43,835,238

**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	\$ 30,164,428
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	116,167,175
Investment in joint venture is not financial resources and, therefore is not reported in the funds.	2,055,751
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	2,183,229
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	8,931,874
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.	1,036,230
Assets and liabilities of the communications fund used by management to account for certain telephone and radio costs are included in the governmental activities in the statement of net position	2,648,004
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(26,201,460)
Compensated absences	(3,606,837)
Net pension liability	(2,609,759)
Claims and judgments	(114,035)
Pension deferrals	(1,840,123)
Net position of governmental activities	\$ 128,814,477

*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, 2016

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 24,003,773	\$ 77,656	\$ 24,081,429
Intergovernmental	19,755,298	4,878,839	24,634,137
Licenses and permits	858,853	-	858,853
Sales and service	8,815,725	-	8,815,725
Project	-	2,246,491	2,246,491
Investment earnings	103,509	3,482	106,991
Contributions	-	20,000	20,000
Miscellaneous	1,124,322	2,661	1,126,983
Total revenues	<u>54,661,480</u>	<u>7,229,129</u>	<u>61,890,609</u>
<b>Expenditures:</b>			
Current:			
General government	5,437,814	826,855	6,264,669
Public safety	27,850,920	214,599	28,065,519
Public works	9,740,887	-	9,740,887
Engineering	1,011,477	-	1,011,477
Parks and recreation	8,492,021	1,657,932	10,149,953
Public service	2,415,496	5,994,771	8,410,267
Community revitalization	-	1,884,490	1,884,490
Economic development	-	31,056	31,056
Debt service:			
Principal	3,798,307	72,500	3,870,807
Interest	404,113	36,511	440,624
Total expenditures	<u>59,151,035</u>	<u>10,718,714</u>	<u>69,869,749</u>
Revenues over (under) expenditures	<u>(4,489,555)</u>	<u>(3,489,585)</u>	<u>(7,979,140)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,841,584)	(500,000)	(2,341,584)
Transfers from other funds	4,800,000	1,777,346	6,577,346
Installment purchase financing issued	2,173,000	-	2,173,000
Total other financing sources (uses)	<u>5,131,416</u>	<u>1,277,346</u>	<u>6,408,762</u>
Net change in fund balances	641,861	(2,212,239)	(1,570,378)
<b>Fund balance:</b>			
Beginning of year, July 1	<u>26,644,451</u>	<u>5,090,355</u>	<u>31,734,806</u>
End of year, June 30	<u>\$ 27,286,312</u>	<u>\$ 2,878,116</u>	<u>\$ 30,164,428</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, 2016**

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) \$ (1,570,378)

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	10,420,734
Depreciation	(6,469,356)
Basis of disposed/transferred capital assets	(1,428,928)
Investment in joint venture	78,416

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 2,183,229

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. 610,557

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. 282,631

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	(535,960)
Pension expense	(1,273,237)
Debt issuance	(2,173,000)
Debt retirement	4,029,474

A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities. 290,921

A portion of the revenue and expenditures reported in the communications fund has been allocated to governmental activities 2,210,481

Changes in net position of governmental activities \$ 6,655,584

*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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 24,815,000	\$ 24,815,000	\$ 24,003,773	\$ (811,227)
Intergovernmental	19,491,860	19,566,896	19,755,298	188,402
Licenses and permits	808,000	808,000	858,853	50,853
Sales and service	8,573,300	8,573,300	8,815,725	242,425
Investment earnings	65,000	65,000	103,509	38,509
Miscellaneous	729,870	799,371	1,124,322	324,951
Total revenues	<u>54,483,030</u>	<u>54,627,567</u>	<u>54,661,480</u>	<u>33,913</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Mayor and council	415,360	682,436	466,485	215,951
City clerk	146,190	158,187	156,848	1,339
Community services	500,550	490,376	433,483	56,893
City manager	501,970	520,975	518,258	2,717
Public affairs	109,150	173,735	142,589	31,146
Downtown development	161,240	268,412	17,413	250,999
Finance	365,920	724,780	411,139	313,641
Central services	727,980	630,360	461,877	168,483
Planning and development	2,007,260	2,276,040	1,903,979	372,061
Human resources	1,137,850	1,038,440	578,300	460,140
Human relations	330,890	353,400	347,443	5,957
Total general government	<u>6,404,360</u>	<u>7,317,141</u>	<u>5,437,814</u>	<u>1,879,327</u>
<b>Public Safety:</b>				
Police	16,347,390	16,332,357	16,172,171	160,186
Fire	11,953,950	12,035,401	11,678,749	356,652
Total public safety	<u>28,301,340</u>	<u>28,367,758</u>	<u>27,850,920</u>	<u>516,838</u>
<b>Public Works:</b>				
Administration	155,970	201,695	201,216	479
Street and ROW maintenance	2,275,070	2,269,000	2,041,315	227,685
Housing code enforcement	977,450	1,211,810	1,184,879	26,931
Environmental service	6,638,030	6,965,296	6,313,477	651,819
Fleet maintenance	44,000	94,024	-	94,024
Total public works	<u>10,090,520</u>	<u>10,741,825</u>	<u>9,740,887</u>	<u>1,000,938</u>
<b>Engineering:</b>				
Administration	545,950	502,440	482,067	20,373
Traffic	508,300	571,810	529,410	42,400
Total engineering	<u>1,054,250</u>	<u>1,074,250</u>	<u>1,011,477</u>	<u>62,773</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Parks and Recreation:</b>				
Administration	586,080	629,530	569,080	60,450
Athletics	625,660	600,840	572,708	28,132
Cultural arts	713,700	592,680	517,544	75,136
Amusements and special events	345,500	330,095	327,539	2,556
Museum	451,250	569,456	566,552	2,904
Parks maintenance	2,218,420	2,377,408	2,157,046	220,362
Cemetery operations	496,460	465,460	436,703	28,757
Outdoor programs	211,180	193,755	121,291	72,464
Neighborhood programs	1,026,740	1,012,810	882,381	130,429
Senior programs	500,840	591,635	577,163	14,472
Sports complex	746,760	760,356	729,137	31,219
Imperial Centre	912,260	1,039,430	1,034,877	4,553
Total parks and recreation	<u>8,834,850</u>	<u>9,163,455</u>	<u>8,492,021</u>	<u>671,434</u>
Public service	<u>2,433,000</u>	<u>4,375,806</u>	<u>2,415,496</u>	<u>1,960,310</u>
<b>Debt service:</b>				
Principal	3,798,307	3,798,307	3,798,307	-
Interest	474,403	404,763	404,113	650
Total debt service	<u>4,272,710</u>	<u>4,203,070</u>	<u>4,202,420</u>	<u>650</u>
Total expenditures	<u>61,391,030</u>	<u>65,243,305</u>	<u>59,151,035</u>	<u>6,092,270</u>
Revenues over (under) expenditures	<u>(6,908,000)</u>	<u>(10,615,738)</u>	<u>(4,489,555)</u>	<u>6,126,183</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(1,397,000)	(1,947,710)	(1,841,584)	106,126
Transfers from other funds	4,800,000	4,800,000	4,800,000	-
Installment purchase financing used	2,105,000	2,444,775	2,173,000	(271,775)
Total other financing sources (uses)	<u>5,508,000</u>	<u>5,297,065</u>	<u>5,131,416</u>	<u>(165,649)</u>
Fund balance appropriated	<u>1,400,000</u>	<u>5,318,673</u>	<u>-</u>	<u>(5,318,673)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	641,861	<u>\$ 641,861</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>26,644,451</u>	
End of year, June 30			<u>\$ 27,286,312</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, 2016

	Business-Type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 24,490,052	\$ 11,917,534	\$ 9,003,604	\$ 6,983,263
Restricted cash and investments	4,791,128	1,323,889	1,550,970	7,597
Due from other funds	-	412,565	-	-
Receivables - net:				
Assessments	-	-	83,097	121,497
Customers	9,289,041	916,287	1,179,700	1,422,679
Notes receivable	-	-	14,117	-
Other	93,903	23,831	19,784	29,567
Prepaid items				
Inventories	1,504,308	74,404	133,872	9,514
Total current assets	<u>40,168,432</u>	<u>14,668,510</u>	<u>11,985,144</u>	<u>8,574,117</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	1,019,038	191,337	1,333,428	1,048,775
Capital assets, depreciable, net of accumulated depreciation and amortization	38,598,582	18,187,322	29,182,131	52,075,061
Total capital assets (net of accumulated depreciation)	<u>39,617,620</u>	<u>18,378,659</u>	<u>30,515,559</u>	<u>53,123,836</u>
Total noncurrent assets:	<u>39,617,620</u>	<u>18,378,659</u>	<u>30,515,559</u>	<u>53,123,836</u>
Total assets	<u>79,786,052</u>	<u>33,047,169</u>	<u>42,500,703</u>	<u>61,697,953</u>
<b>Deferred Outflows of Resources</b>				
Contributions to pension plan	231,298	70,518	177,705	112,828
Total deferred outflows of resources	<u>231,298</u>	<u>70,518</u>	<u>177,705</u>	<u>112,828</u>
<b>Liabilities and Net Position:</b>				
Current Liabilities:				
Accounts payable and accrued expenditures	5,868,052	514,265	199,435	108,332
Current accrued compensated absences	232,256	65,724	124,382	92,483
Current maturities of long-term debt	1,385,015	238,661	434,887	1,024,454
Total current liabilities	<u>7,485,323</u>	<u>818,650</u>	<u>758,704</u>	<u>1,225,269</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	3,357,682	1,323,889	608,769	6,613
Accrued compensated absences	77,290	-	19,197	23,256
Net pension liability	261,518	88,101	219,742	147,083
Noncurrent portion of long-term debt	2,623,163	165,889	1,749,923	7,579,035
Total noncurrent liabilities	<u>6,319,653</u>	<u>1,577,879</u>	<u>2,597,631</u>	<u>7,755,987</u>
Total liabilities	<u>13,804,976</u>	<u>2,396,529</u>	<u>3,356,335</u>	<u>8,981,256</u>
<b>Deferred Inflows of Resources</b>				
Pension deferrals	194,948	59,436	149,777	95,097
Total deferred inflows of resources	<u>194,948</u>	<u>59,436</u>	<u>149,777</u>	<u>95,097</u>
<b>Net Position:</b>				
Net investment in capital assets	37,547,960	18,139,998	29,702,123	44,746,775
Unrestricted	28,469,466	12,521,724	9,470,173	7,987,653
Total net position	<u>\$ 66,017,426</u>	<u>\$ 30,661,722</u>	<u>\$ 39,172,296</u>	<u>\$ 52,734,428</u>

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit G

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016Governmental  
Activities

	<b>Other Nonmajor Fund</b>	<b>Total Business-Type Activities</b>	<b>Internal Service Funds</b>
	<b>Storm Water Management</b>	<b>Enterprise</b>	
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents/investments	\$ 2,007,414	\$ 54,401,867	\$ -
Restricted cash and investments	267,909	7,941,493	3,666,203
Due from other funds	-	412,565	-
Receivables - net:			-
Assessments	-	204,594	-
Customers	474,939	13,282,646	-
Notes receivable	-	14,117	-
Other	-	167,085	13,450
			106,737
Inventories	-	1,722,098	-
Total current assets	<u>2,750,262</u>	<u>78,146,465</u>	<u>3,786,390</u>
Noncurrent Assets:			
Capital Assets:			
Capital assets, nondepreciable	742,355	4,334,933	-
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>4,331,691</u>	<u>142,374,787</u>	<u>1,282,853</u>
Total capital assets (net of accumulated depreciation)	<u>5,074,046</u>	<u>146,709,720</u>	<u>1,282,853</u>
Total noncurrent assets:	<u>5,074,046</u>	<u>146,709,720</u>	<u>1,282,853</u>
Total assets	<u>7,824,308</u>	<u>224,856,185</u>	<u>5,069,243</u>
<b>Deferred Outflows of Resources</b>			
Contributions to pension plan	<u>104,366</u>	<u>696,715</u>	<u>-</u>
Total deferred outflows of resources	<u>104,366</u>	<u>696,715</u>	<u>-</u>
<b>Liabilities and Net Position:</b>			
Current Liabilities:			
Accounts payable and accrued expenditures	141,944	6,832,028	102,156
Current accrued compensated absences	65,718	580,563	7,644
Current maturities of long-term debt	<u>358,371</u>	<u>3,441,388</u>	<u>158,667</u>
Total current liabilities	<u>566,033</u>	<u>10,853,979</u>	<u>268,467</u>
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	195,472	5,492,425	-
Accrued compensated absences	36,034	155,777	3,652
Net pension liability	132,664	849,108	-
Noncurrent portion of long-term debt	<u>558,929</u>	<u>12,676,939</u>	<u>145,444</u>
Total noncurrent liabilities	<u>923,099</u>	<u>19,174,249</u>	<u>149,096</u>
Total liabilities	<u>1,489,132</u>	<u>30,028,228</u>	<u>417,563</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	<u>87,965</u>	<u>587,223</u>	<u>-</u>
Total deferred inflows of resources	<u>87,965</u>	<u>587,223</u>	<u>-</u>
<b>Net Position:</b>			
Net investment in capital assets	4,458,052	134,594,908	1,042,726
Unrestricted	<u>1,893,525</u>	<u>60,342,541</u>	<u>3,608,954</u>
Total net position	<u>\$ 6,351,577</u>	<u>\$ 194,937,449</u>	<u>\$ 4,651,680</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities</b>			
	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 80,485,127	\$ 20,218,245	\$ 11,046,278	\$ 12,532,495
Licenses and permits	-	-	49,025	53,534
Other operating revenues	858,934	167,475	244,884	262,444
Total operating revenues	<u>81,344,061</u>	<u>20,385,720</u>	<u>11,340,187</u>	<u>12,848,473</u>
<b>Operating Expenses:</b>				
Distribution systems	63,912,592	19,117,508	-	-
Treatment plants	-	-	5,575,932	6,700,940
Engineering	1,621,277	-	-	-
Support services	-	-	3,112,873	3,268,126
Energy services	1,296,279	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Communications	-	-	-	-
Depreciation and amortization	1,768,660	758,623	1,224,806	1,872,790
Total operating expenses	<u>68,598,808</u>	<u>19,876,131</u>	<u>9,913,611</u>	<u>11,841,856</u>
Operating income (loss)	<u>12,745,253</u>	<u>509,589</u>	<u>1,426,576</u>	<u>1,006,617</u>
<b>Nonoperating Revenues (Expenses):</b>				
Other	317,144	4,599	8,059	257
Investment earnings	69,728	39,195	32,080	42,615
Gain (loss) on disposal of capital assets	(320,553)	(107,803)	(120,487)	(630,832)
Interest expense	(53,565)	(5,307)	(31,230)	(200,823)
Appropriation to school system	(44,540)	(82,710)	-	-
Total nonoperating revenues (expenses)	<u>(31,786)</u>	<u>(152,026)</u>	<u>(111,578)</u>	<u>(788,783)</u>
Income (loss) before capital contributions and transfers	<u>12,713,467</u>	<u>357,563</u>	<u>1,314,998</u>	<u>217,834</u>
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,700,000)	(2,100,000)	(500,000)	(10,762)
Total capital contributions and transfers	<u>(1,700,000)</u>	<u>(2,100,000)</u>	<u>(500,000)</u>	<u>(10,762)</u>
Change in net position	11,013,467	(1,742,437)	814,998	207,072
<b>Net Position:</b>				
Beginning of year - July 1, restated	55,003,959	32,404,159	38,357,298	52,527,356
End of year - June 30	<u>\$ 66,017,426</u>	<u>\$ 30,661,722</u>	<u>\$ 39,172,296</u>	<u>\$ 52,734,428</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit H

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Other Nonmajor Fund Storm Water Management</b>	<b>Total Business-Type Activities Enterprise</b>	<b>Governmental Activities  Internal Service Funds</b>
<b>Operating Revenues:</b>			
Charges for sales and services	\$ 4,022,698	\$ 128,304,843	\$ 11,055,267
Licenses and permits	-	102,559	-
Other operating revenues	45,614	1,579,351	-
Total operating revenues	<u>4,068,312</u>	<u>129,986,753</u>	<u>11,055,267</u>
<b>Operating Expenses:</b>			
Distribution systems	-	83,030,100	-
Treatment plants	-	12,276,872	-
Engineering	-	1,621,277	-
Support services	726,343	7,107,342	-
Energy services	-	1,296,279	-
Storm water operations	2,237,293	2,237,293	-
Insurance claims	-	-	4,889,000
Cost of service and administration	-	-	1,941,078
Communications	-	-	692,455
Depreciation and amortization	364,426	5,989,305	106,975
Total operating expenses	<u>3,328,062</u>	<u>113,558,468</u>	<u>7,629,508</u>
Operating income (loss)	<u>740,250</u>	<u>16,428,285</u>	<u>3,425,759</u>
<b>Nonoperating Revenues (Expenses):</b>			
Other	-	330,059	-
Investment earnings	8,587	192,205	1,058
Gain (loss) on disposal of capital assets	(4,384)	(1,184,059)	(9,006)
Interest expense	(16,419)	(307,344)	(4,327)
Appropriation to school system	-	(127,250)	-
Total nonoperating revenues (expenses)	<u>(12,216)</u>	<u>(1,096,389)</u>	<u>(12,275)</u>
Income (loss) before capital contributions and transfers	<u>728,034</u>	<u>15,331,896</u>	<u>3,413,484</u>
Transfers from other funds	75,000	75,000	-
Transfers to other funds	-	(4,310,762)	-
Total capital contributions and transfers	<u>75,000</u>	<u>(4,235,762)</u>	<u>-</u>
Change in net position	803,034	11,096,134	3,413,484
<b>Net Position:</b>			
Beginning of year - July 1, restated	5,548,543	183,841,315	1,238,196
End of year - June 30	<u>\$ 6,351,577</u>	<u>\$ 194,937,449</u>	<u>\$ 4,651,680</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, 2016**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 84,183,988	\$ 20,736,800	\$ 11,365,555	\$ 12,794,046
Payments to suppliers for goods and services	(63,508,219)	(17,445,112)	(5,588,967)	(7,623,971)
Payments to or on behalf of employees	(5,223,245)	(1,555,958)	(3,127,802)	(2,361,088)
Net cash provided (used) by operating activities	<u>15,452,524</u>	<u>1,735,730</u>	<u>2,648,786</u>	<u>2,808,987</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers to other funds	(1,700,000)	(2,100,000)	(500,000)	(10,762)
Transfers from other funds	-	-	-	-
Appropriation to school system	(44,540)	(82,710)	-	-
Net cash provided (used) by noncapital financing activities	<u>(1,744,540)</u>	<u>(2,182,710)</u>	<u>(500,000)</u>	<u>(10,762)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Debt issued	1,342,000	-	1,011,000	137,000
Acquisition and construction of capital assets	(2,959,933)	(610,143)	(661,715)	(1,651,814)
Interest paid	(53,565)	(5,307)	(31,230)	(200,823)
Insurance recovery	251,829	-	7,792	-
Principal payments on long-term debt	(1,337,507)	(282,865)	(336,206)	(1,102,712)
Net cash provided (used) by capital and related financing activities	<u>(2,757,176)</u>	<u>(898,315)</u>	<u>(10,359)</u>	<u>(2,818,349)</u>
<b>Cash Flows From Investing Activities:</b>				
Proceeds from sale of warehouse inventory	65,315	4,599	267	257
Investment earnings	69,728	39,195	32,080	42,615
Net cash provided (used) by investing activities	<u>135,043</u>	<u>43,794</u>	<u>32,347</u>	<u>42,872</u>
Net increase (decrease) in cash and cash equivalents/investments	11,085,851	(1,301,501)	2,170,774	22,748
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year, July 1	<u>18,195,329</u>	<u>14,542,924</u>	<u>8,383,800</u>	<u>6,968,112</u>
End of year, June 30	<u>\$ 29,281,180</u>	<u>\$ 13,241,423</u>	<u>\$ 10,554,574</u>	<u>\$ 6,990,860</u>
Cash and cash equivalents/investments	\$ 24,490,052	\$ 11,917,534	\$ 9,003,604	\$ 6,983,263
Restricted cash and investments	4,791,128	1,323,889	1,550,970	7,597
	<u>\$ 29,281,180</u>	<u>\$ 13,241,423</u>	<u>\$ 10,554,574</u>	<u>\$ 6,990,860</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, 2016

	<b>Other Nonmajor Fund</b>		<b>Governmental Activities</b>
	<b>Storm Water Management</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 4,225,062	\$ 133,305,451	\$ 11,050,028
Payments to suppliers for goods and services	(887,171)	(95,053,440)	(7,453,856)
Payments to or on behalf of employees	(1,990,192)	(14,258,285)	(195,780)
Net cash provided (used) by operating activities	<u>1,347,699</u>	<u>23,993,726</u>	<u>3,400,392</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers to other funds	-	(4,310,762)	-
Transfers from other funds	75,000	75,000	-
Appropriation to school system	-	(127,250)	-
Net cash provided (used) by noncapital financing activities	<u>75,000</u>	<u>(4,363,012)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Debt issued	195,000	2,685,000	-
Acquisition and construction of capital assets	(1,280,291)	(7,163,896)	(869,396)
Interest paid	(16,419)	(307,344)	(4,327)
Insurance recovery	-	259,621	-
Principal payments on long-term debt	(425,402)	(3,484,692)	(158,667)
Net cash provided (used) by capital and related financing activities	<u>(1,527,112)</u>	<u>(8,011,311)</u>	<u>(1,032,390)</u>
<b>Cash Flows From Investing Activities:</b>			
Proceeds from sale of warehouse inventory	-	70,438	-
Investment earnings	8,587	192,205	1,058
Net cash provided (used) by investing activities	<u>8,587</u>	<u>262,643</u>	<u>1,058</u>
Net increase (decrease) in cash and cash equivalents/investments	(95,826)	11,882,046	2,369,060
<b>Cash and Cash Equivalents/Investments:</b>			
Beginning of year, July 1	<u>2,371,149</u>	<u>50,461,314</u>	<u>1,297,143</u>
End of year, June 30	<u>\$ 2,275,323</u>	<u>\$ 62,343,360</u>	<u>\$ 3,666,203</u>
Cash and cash equivalents/investments	\$ 2,007,414	\$ 54,401,867	\$ -
Restricted cash and investments	267,909	7,941,493	3,666,203
	<u>\$ 2,275,323</u>	<u>\$ 62,343,360</u>	<u>\$ 3,666,203</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, 2016**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ 12,745,253	\$ 509,589	\$ 1,426,576	\$ 1,006,617
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation and amortization	1,768,660	758,623	1,224,806	1,872,790
Pension expense	133,902	41,377	104,119	66,607
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in receivables and assessments	2,675,297	305,302	44,268	(54,062)
(Increase) decrease in inventories	153,395	10,300	(4,521)	(1,904)
(Increase) decrease in deferred outflows of resources for pensions	(231,298)	(70,518)	(177,705)	(112,828)
Increase (decrease) in accounts payable and accrued expenses	(2,036,275)	137,131	18,379	13,426
Increase (decrease) in liabilities to be paid from restricted assets	164,630	45,778	(18,900)	(365)
Increase (decrease) in accrued compensated absences and other accrued liabilities	78,960	(1,852)	31,764	18,706
Net cash provided (used) by operating activities	<u>\$ 15,452,524</u>	<u>\$ 1,735,730</u>	<u>\$ 2,648,786</u>	<u>\$ 2,808,987</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, 2016

	<u>Other Nonmajor Fund</u>		<u>Governmental Activities</u>
	<u>Storm Water Management</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ 740,250	\$ 16,428,285	\$ 3,425,759
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and amortization	364,426	5,989,305	106,975
Pension expense	61,387	407,392	-
<b>Change in Assets and Liabilities:</b>			
(Increase) decrease in receivables and assessments	(5,126)	2,965,679	(5,239)
(Increase) decrease in inventories	-	157,270	-
(Increase) decrease in deferred outflows of resources for pensions	(104,366)	(696,715)	-
Increase (decrease) in accounts payable and accrued expenses	96,940	(1,770,399)	(127,337)
Increase (decrease) in liabilities to be paid from restricted assets	161,876	353,019	-
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>32,312</u>	<u>159,890</u>	<u>234</u>
Net cash provided (used) by operating activities	<u>\$ 1,347,699</u>	<u>\$ 23,993,726</u>	<u>\$ 3,400,392</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, 2016**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 664,671
Total assets	<u>\$ 664,671</u>
<b>Liabilities:</b>	
Accounts payable	\$ 190
Due to other agencies	664,481
Total liabilities	<u>\$ 664,671</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, 2016

### 1. Summary of Significant Accounting Policies

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

#### **Reporting Entity**

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. The City was incorporated on February 19, 1867. The City has a population of approximately 55,958 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

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

#### **Basis of Presentation**

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

The City reports the following major governmental fund:

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

The City reports the following non-major governmental funds:

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

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

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

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

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

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

**General Capital Projects Fund** – This fund is used to account for construction of various City projects to improve City parks and operational facilities.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

**Agency Funds** – These funds are used to account for assets held by the City as an agent for individuals and private organizations. Agency funds are custodial in nature and do not involve the measurement of operating results. An Agency fund is used to account for assets the City holds on behalf of others. The City maintains one Agency fund, the Community Development and Governmental Activities fund, which accounts for transactions related to revenues including commissions from vending machines sales, event receipts, drug forfeitures, and donations and the associated expenditures.

### **Measurement Focus and Basis of Accounting**

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 risk management internal service fund are generally premiums charged to its employees for insurance coverage. Revenues of the communications internal service fund are allocations of its operating expenses to the general and proprietary funds based on services provided. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Rocky Mount because the tax is levied by the counties and then remitted to and distributed by the State. Intergovernmental revenues, sales and services, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Grant revenues which are unearned at year-end are

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 and Communications funds, which are intra-governmental service funds, operate 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, 2016. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2016. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

### **Funds with Multi-Year Budgets**

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

Funds adopting annual budgets include the General fund, the proprietary funds, the special revenue fund – 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, 2016

### Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

#### Restricted Investments

The unexpended proceeds from the installment purchase agreements entered into by the City are classified as restricted investments in the respective funds because their use is completely restricted to the purpose for which the agreement was originally intended. In accordance with State law {G.S. 136-41.1 through 136-41.4}, Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected. All other deposits are restricted in their respective funds. These deposits are reported as liabilities to be paid from restricted assets. Risk management and communication funds are also restricted.

#### Governmental Activities

##### General Fund

Streets	\$ 3,717,191
Customer deposits	340,875
Unexpended debt proceeds	1,693,372

##### Entitlement Grants Fund

Customer deposits	500
-------------------	-----

##### General Capital Projects Fund

Unexpended debt proceeds	792,144
--------------------------	---------

##### Internal Service Funds

Risk Management	1,004,654
Communications	2,591,831
Unexpended debt proceeds	69,718

Total governmental activities	\$ 10,210,285
-------------------------------	---------------

#### Business-Type Activities

##### Electric Fund

Customer deposits	3,357,682
Unexpended debt proceeds	1,433,446

##### Gas Fund

Customer deposits	1,323,889
-------------------	-----------

##### Water Fund

Customer deposits	608,769
Unexpended debt proceeds	942,201

##### Sewer Fund

Customer deposits	6,613
Unexpended debt proceeds	984

##### Stormwater Fund

Customer deposits	195,472
Unexpended debt proceeds	72,437

Total business-type activities	\$ 7,941,493
--------------------------------	--------------

Total restricted cash	\$ 18,151,778
-----------------------	---------------

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

### **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, 2016 as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

### **Inventories**

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

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

### **Prepaid Items**

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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 \$5,000 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 received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. 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.

### Deferred Outflows/Inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets the criteria for deferred outflows of resources: contributions made to the pension plan in the 2016 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has the following items that meet the criterion for this category – assessments, tax, and miscellaneous receivables along with prepaid taxes, unspent cable franchise agreement funds, and deferrals of pension expense that result from the implementation of GASB Statement 68.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **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 and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Compensated Absences**

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

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

### **Net Position**

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments or imposed by law through State Statute. Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unexpended debt proceeds of \$2,485,516 as of June 30, 2016.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Total Capital Assets	\$ 116,167,175	146,709,720
Less: Current Debt	(4,365,237)	(3,441,388)
Less: Long Term Debt	(21,836,223)	(12,676,939)
Add: Unexpended Debt Proceeds	2,555,234	2,449,068
Add: Other Post-Employment Benefits	4,943,409	1,554,447
Add: Unfunded Special Separation Allowance	1,250,867	-
Add: Other Debt - NCDOT	1,009,857	-
Net Investment in Capital Assets	\$ 99,725,082	\$ 134,594,908

### 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**

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

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

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

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **Committed Fund Balance**

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

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

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

### **Assigned Fund Balance**

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

*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.

### **Unassigned Fund Balance**

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

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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	\$27,286,312
Less:	
Inventories	405,755
Stabilization by State Statute	<u>5,944,217</u>
Total available fund balance	<u>\$20,936,340</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.

### Pensions

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

## 2. Deposits and Investments

### Deposits

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

All of the City's deposits are made by using the "Pooling Method". Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure the exact amount of collateral under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2016, the City's deposits had a carrying amount of \$13,359,975 and a bank balance of approximately \$15,106,063. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$13,856,063 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"). The NCCMT-Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

At June 30, 2016, the City had \$80,502,140 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.

	Valuation Measurement Method	Reported Value	Maturity	Value	Category
	North Carolina Capital Management Trust Cash Portfolio	Amortized Cost	\$ 17,212,628	N/A	\$ 17,212,628
North Carolina Capital Management Trust Term Portfolio	Fair Value Level I	<u>63,289,512</u>	0.14 years	<u>63,289,512</u>	N/A
		<u>\$ 80,502,140</u>		<u>\$ 80,502,140</u>	

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Total cash and investments of \$93,874,140 reported by the City include cash on hand of \$12,025 and \$664,671 held by the City in the Agency fund, Community Development and Governmental Activities fund.

At June 30, 2016, the City had \$18,151,778 in restricted cash and investments. Of this amount, there was \$2,485,516, \$2,449,068, and \$69,718 in governmental, business-type, and internal service escrow accounts, respectively, and the escrow funds are to be used to purchase equipment and construction improvements under installment purchase agreements. The City has a total of \$5,833,800 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 \$3,717,191 that are restricted cash according to State law. The City had \$1,004,654 restricted for use in the Internal Service Fund for risk management and \$2,591,831 restricted for use in the Internal Service Fund for communications.

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

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

#### Allowance for Doubtful Accounts

The receivables shown in the Balance Sheet and the Statement of Net Position at June 30, 2016 are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2016</u>
<b>Governmental Activities:</b>	
Ad valorem taxes	1,973,003
Planning loans	3,468,627
Miscellaneous	594,875
Customers	217,752
Total governmental activities	<u>6,254,257</u>
<b>Business-Type Activities:</b>	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	354,473
Total business-type activities	<u>2,499,641</u>
Total allowances for doubtful accounts	<u>\$ 8,753,898</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Accounts Receivable

At June 30, 2016 funds due from other governmental agencies consisted of the following:

	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Sales tax refund	\$ 933,867		\$ 933,867
Vehicle fee	116,049		\$ 116,049
Local option tax	1,776,857		\$ 1,776,857
Grants receivable	114,829	602,863	\$ 717,692
Franchise tax	140,000		\$ 140,000
Miscellaneous receivable	15,625	28,378	\$ 44,003
	<u>\$ 3,097,227</u>	<u>631,241</u>	<u>\$ 3,728,468</u>

## 4. Capital Assets

### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2016, was as follows:

	<b>July 1, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>June 30, 2016</b>
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	7,567,985	223,975	789,614	-	7,002,346
Construction in progress	252,354	1,414,115	2,675	(131,674)	1,532,120
Total capital assets not being depreciated	<u>7,820,339</u>	<u>1,638,090</u>	<u>792,289</u>	<u>(131,674)</u>	<u>8,534,466</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	20,778,938	20,000	398,109	-	20,400,829
Buildings	59,121,856	1,775,019	52,599	131,675	60,975,951
Equipment	48,383,246	4,807,310	4,268,847	548,514	49,470,223
Infrastructure	54,463,033	2,184,971	51,578	-	56,596,426
Total capital assets being depreciated	<u>182,747,073</u>	<u>8,787,300</u>	<u>4,771,133</u>	<u>680,189</u>	<u>187,443,429</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	8,690,398	818,101	191,547	-	9,316,952
Buildings	17,575,474	1,327,666	27,851	-	18,875,289
Equipment	35,740,772	3,573,064	3,887,394	553,171	35,979,613
Infrastructure	14,916,043	750,525	27,702	-	15,638,866
Total accumulated depreciation	<u>76,922,687</u>	<u>6,469,356</u>	<u>4,134,494</u>	<u>553,171</u>	<u>79,810,720</u>
Total capital assets being depreciated, net	<u>105,824,386</u>				<u>107,632,709</u>
Governmental activities capital assets, net	<u>113,644,725</u>				<u>116,167,175</u>

The assets of the internal service fund for communication services are shown in the governmental activities asset schedule.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

General government	\$	1,140,960
Public works		1,846,012
Public safety		1,114,196
Transit		517,408
Planning		99,794
Recreation		1,644,011
Internal Service -Comm		106,975
<b>Total</b>	<b>\$</b>	<b><u>6,469,356</u></b>

Capital asset activity for the business-type activities for the year ended June 30, 2016, was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<b>Electric Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	332,382	-	-	-	332,382
Construction in progress	878,194	59,871	-	(251,409)	686,656
Total capital assets not being depreciated	<u>1,210,576</u>	<u>59,871</u>	<u>-</u>	<u>(251,409)</u>	<u>1,019,038</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	260,613	-	15,916	-	244,697
Buildings	8,978,276	-	22,162	-	8,956,114
Equipment	27,903,663	1,290,024	919,582	(234,506)	28,039,599
Infrastructure	33,332,774	1,610,038	207,787	251,409	34,986,434
Total capital assets being depreciated	<u>70,475,326</u>	<u>2,900,062</u>	<u>1,165,447</u>	<u>16,903</u>	<u>72,226,844</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	98,747	8,301	4,990	-	102,058
Buildings	3,379,734	178,995	12,947	-	3,545,782
Equipment	20,767,268	1,048,616	770,262	(238,847)	20,806,775
Infrastructure	8,693,253	532,748	52,354	-	9,173,647
Total accumulated depreciation	<u>32,939,002</u>	<u>1,768,660</u>	<u>840,553</u>	<u>(238,847)</u>	<u>33,628,262</u>
Total capital assets being depreciated, net	<u>37,536,324</u>	<u>1,131,402</u>	<u>324,894</u>	<u>255,750</u>	<u>38,598,582</u>
Electric Fund capital assets, net	<u>38,746,900</u>	<u>1,191,273</u>	<u>324,894</u>	<u>4,341</u>	<u>39,617,620</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<b>Gas Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	191,337	-	-	-	191,337
Total capital assets not being depreciated	<u>191,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,337</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	11,425	-	-	-	11,425
Buildings	2,243,630	-	-	-	2,243,630
Equipment	9,541,221	117,143	286,603	(2,916)	9,368,845
Infrastructure	14,883,144	493,000	-	-	15,376,144
Total capital assets being depreciated	<u>26,679,420</u>	<u>610,143</u>	<u>286,603</u>	<u>(2,916)</u>	<u>27,000,044</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,780	457	-	-	3,237
Buildings	149,193	44,545	-	-	193,738
Equipment	6,295,808	515,674	178,485	(3,231)	6,629,766
Infrastructure	1,788,034	197,947	-	-	1,985,981
Total accumulated depreciation	<u>8,235,815</u>	<u>758,623</u>	<u>178,485</u>	<u>(3,231)</u>	<u>8,812,722</u>
Total capital assets being depreciated, net	<u>18,443,605</u>	<u>(148,480)</u>	<u>108,118</u>	<u>315</u>	<u>18,187,322</u>
Gas Fund capital assets, net	<u>18,634,942</u>	<u>(148,480)</u>	<u>108,118</u>	<u>315</u>	<u>18,378,659</u>
<b>Water Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	1,173,187	-	-	-	1,173,187
Construction in progress	20,280	160,241	-	(20,280)	160,241
Total capital assets not being depreciated	<u>1,193,467</u>	<u>160,241</u>	<u>-</u>	<u>(20,280)</u>	<u>1,333,428</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	9,104,704	-	14,907	-	9,089,797
Buildings	12,269,960	-	11,217	-	12,258,743
Equipment	9,523,832	501,474	388,124	(42,300)	9,594,882
Infrastructure	31,089,396	-	221,031	-	30,868,365
Total capital assets being depreciated	<u>61,987,892</u>	<u>501,474</u>	<u>635,279</u>	<u>(42,300)</u>	<u>61,811,787</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	8,954,931	9,312	9,844	-	8,954,399
Buildings	6,547,215	245,833	6,752	-	6,786,296
Equipment	6,614,894	544,391	367,340	(62,580)	6,729,365
Infrastructure	9,865,182	425,270	130,856	-	10,159,596
Total accumulated depreciation	<u>31,982,222</u>	<u>1,224,806</u>	<u>514,792</u>	<u>(62,580)</u>	<u>32,629,656</u>
Total capital assets being depreciated, net	<u>30,005,670</u>	<u>(723,332)</u>	<u>120,487</u>	<u>20,280</u>	<u>29,182,131</u>
Water Fund capital assets, net	<u>31,199,137</u>	<u>(563,091)</u>	<u>120,487</u>	<u>-</u>	<u>30,515,559</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	July 1, 2015	Additions	Retirements	Transfers	June 30, 2016
<b>Sewer Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	782,025	-	-	-	782,025
Construction in progress	66,900	260,000	-	(60,150)	266,750
Total capital assets not being depreciated	848,925	260,000	-	(60,150)	1,048,775
<b>Capital Assets Being Depreciated</b>					
Land improvements	2,167,163	41,950	9,442	-	2,199,671
Buildings	41,149,070	510,297	1,340,909	60,150	40,378,608
Equipment	20,798,025	492,704	2,342,963	-	18,947,766
Infrastructure	32,352,632	346,863	361,859	-	32,337,636
Total capital assets being depreciated	96,466,890	1,391,814	4,055,173	60,150	93,863,681
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,115,663	2,521	5,257	-	2,112,927
Buildings	17,164,121	718,908	908,997	-	16,974,032
Equipment	13,740,720	721,932	2,268,984	-	12,193,668
Infrastructure	10,319,667	429,429	241,103	-	10,507,993
Total accumulated depreciation	43,340,171	1,872,790	3,424,341	-	41,788,620
Total capital assets being depreciated, net	53,126,719	(480,976)	630,832	60,150	52,075,061
Sewer Fund capital assets, net	53,975,644	(220,976)	630,832	-	53,123,836
	July 1, 2015	Additions	Retirements	Transfers	June 30, 2016
<b>Storm Water Management Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	387,866	354,489	-	-	742,355
Construction in progress	361,497	-	-	(361,497)	-
Total capital assets not being depreciated	749,363	354,489	-	(361,497)	742,355
<b>Capital Assets Being Depreciated</b>					
Land improvements	182,855	-	-	-	182,855
Buildings	65,000	-	-	-	65,000
Equipment	3,366,445	498,205	24,851	(215,513)	3,624,286
Infrastructure	2,330,282	427,597	-	361,497	3,119,376
Total capital assets being depreciated	5,944,582	925,802	24,851	145,984	6,991,517
<b>Less Accumulated Depreciation for:</b>					
Land improvements	13,998	7,315	-	-	21,313
Buildings	9,208	1,300	-	-	10,508
Equipment	2,386,558	321,137	20,467	(215,513)	2,471,715
Infrastructure	121,616	34,674	-	-	156,290
Total accumulated depreciation	2,531,380	364,426	20,467	(215,513)	2,659,826
Total capital assets being depreciated, net	3,413,202	561,376	4,384	361,497	4,331,691
Total Storm Water Management Fund capital assets, net	4,162,565	915,865	4,384	-	5,074,046

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2016, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,723,227	\$ 6,361,493	\$ 8,084,720
Claims incurred but not reported	202,646	54,000	256,646
Accrued payroll and related liabilities	1,932,566	416,535	2,349,101
Total accounts payable and accrued liabilities	\$ 3,858,439	\$ 6,832,028	\$ 10,690,467

### 6. Pension Plan Obligations

#### Local Government Employees' Retirement System

**Plan Description.** The City is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Rocky Mount employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Rocky Mount's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.74% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Rocky Mount for the year ended June 30, 2016 totaled \$2,879,944, comprised of \$2,280,030 for general employees and firefighters and \$599,914 for law enforcement officers.

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

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

At June 30, 2016, the City reported a liability of \$3,458,867 for its proportionate share of the net pension liability which was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the City's proportion was 0.7707%, which was a decrease of .0047% from its proportion measured as of June 30, 2014.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

For the year ended June 30, 2016, the City recognized pension expense of \$1,680,628. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 813,028
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	984,725
Changes in proportion and differences between City contributions and proportionate share of contributions	-	629,593
City contributions subsequent to the measurement date	2,879,944	
Total	\$ 2,879,944	\$ 2,427,346

\$2,879,944 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to will be recognized in pension expense as follows:

**Year ended June 30:**

2017	\$ (1,343,335)
2018	(1,343,335)
2019	(1,340,658)
2020	1,599,982
2021	-
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

	<b>1% Decrease <u>(6.25%)</u></b>	<b>Discount Rate <u>(7.25%)</u></b>	<b>1% Increase <u>(8.25%)</u></b>
City's proportionate share of the net pension liability (asset)	\$ 24,119,078	\$ 3,458,867	\$ (13,946,926)

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

### **Law Enforcement Officers Special Separation Allowance**

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

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	23
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>166</u>
Total	<u><u>189</u></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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

The annual required contribution for the fiscal year ended June 30, 2016 was determined as part of the December 31, 2014, 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, 2014, was 16 years.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

**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	\$	549,202
Interest on net pension obligation		58,176
Adjustment to annual required contribution		(102,245)
Annual pension cost		505,133
Contributions made		417,776
Increase in net pension obligation		87,357
Net pension obligation, beginning of year		1,163,510
Net pension obligation, end of year	\$	1,250,867

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 419,485	86.89%	\$ 1,072,772
6/30/2015	486,166	81.34%	1,163,510
6/30/2016	505,133	82.71%	1,250,867

**Funded Status and Funding Progress.** As of December 31, 2015, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$4,947,822, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,947,822.

The covered payroll (annual payroll of active employees covered by the plan) was \$8,929,219 and the ratio of the UAAL to the covered payroll was 55.41 percent.

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

### Supplemental Retirement Income Plan

**Plan Description.** All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment for law enforcement officers, all other employees have a one year waiting period before participation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All amounts contributed are vested immediately. Also, all employees may make voluntary contributions to the plan. Article 5 of G.S. Chapter 135 assigns the

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G. S. Chapter 143 requires the City to contribute each month an amount equal to 5% of covered payroll for law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 3% of the employees' salary.

The City's contributions were calculated using a covered payroll amount of \$8,387,324 for employees engaged in law enforcement and \$32,189,337 for all other full-time employees. Total contributions for the year ended June 30, 2016, were \$1,385,046 which consisted of \$419,366 for employees engaged in law enforcement and \$965,680 for all other employees. Voluntary contributions made by all City employees totaled \$753,650.

### 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, 2015, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	188
Active members	832
	<hr/>
	1,020
	<hr/> <hr/>

**Funding Policy.** The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members, hired before 9/1/2009 that retire with at least 30 years of service or that retire with approved disability retirement, the City pays \$468.96 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 \$468.96 for 30 or more years, 75% for 20-29 years, and 50%

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 2016, the City contributed \$2,188,860, or 5% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2016, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

### Summary of Significant Accounting Policies

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

### 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	\$ 2,885,505
Interest on net OPEB obligation	231,634
Adjustment to annual required contribution	(221,283)
Annual OPEB cost (expense)	<u>2,895,856</u>
Contributions made	<u>2,188,860</u>
Increase (decrease) in net OPEB obligation	706,996
Net OPEB obligation, beginning of year	<u>5,790,860</u>
Net OPEB obligation, end of year	<u><u>\$ 6,497,856</u></u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

<b>Three-Year Trend Information</b>			
<b>For Year Ended June 30</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 2,770,241	65.10%	\$ 5,207,440
2015	2,514,419	76.80%	5,790,860
2016	2,895,856	75.59%	6,497,856

As of December 31, 2015, 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 \$36,619,877. The covered payroll (annual payroll of active employees covered by the plan) was \$40,732,113, and the ratio of the UAAL to the covered payroll was 89.9%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **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, 2015, 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 2022, 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, 2015, was 30 years.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **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, 2016, the City made contributions to the State for death benefits of \$35,424. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

### **Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time City employees, 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 \$1,385,046 to the plan for the year ended June 30, 2016.

### **7. Operating Leases**

The City had operating leases for the year ended June 30, 2016 for the purchase of computer equipment with principal payments of \$141,049, \$146,711, \$116,678, and \$121,109 in fiscal years 2017, 2018, 2019, and 2020 respectively. Payments made in fiscal year 2016 total \$161,634.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 8. Deferred Outflows/Inflows of Resources

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

Source	<u>Fund- Level</u>	<u>Government- Wide</u>
Taxes receivable (General Fund)	\$ 1,559,121	\$ -
Accounts receivable (General Fund)	3,576,335	-
Assessments (General Fund)	3,785,344	-
Accounts receivable (other governmental funds)	11,074	-
Prepaid taxes (General Fund)	103,231	103,231
Unspent cable franchise agreement (General Fund)	108,991	108,991
Pension deferrals	-	2,427,346
Total	<u>\$ 9,144,096</u>	<u>\$ 2,639,568</u>

The balance of deferred outflows of resources is \$2,879,944 and is entirely comprised of the contributions to the pension plan in the current fiscal year.

### 9. Commitments

#### Construction

The City had outstanding commitments at June 30, 2016, of approximately \$187,665 for road resurfacing, \$98,578 for Ring road improvements, \$10,000 for the radio system upgrade, \$159,337 for the southern connector (Kingston) due July 2016 and \$166,599 for the southern connector (Kingston) due July 2017. A portion of these improvements are being financed with an installment note.

#### Purchases

The City is a member of the North Carolina Eastern Municipal Power Agency ("Agency"). Under the contracts executed by the City with the Agency, the Agency became the "Full Requirements Bulk Power Supply" electrical 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 has a "Full Requirements Power Purchase Agreement" with Duke Energy Progress ("DEP") where the Agency will purchase from DEP and DEP will sell to the Agency firm capacity and energy in amounts required by the agency to serve the current and future electrical loads of its Members.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 10. Risk Management

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

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

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

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 \$168,035 for estimated claims which will be covered under self-insurance retention. The City has recorded an accrual totaling \$88,611 for estimated claims which will be covered under the Risk Management fund. The self-insurance total of \$168,035 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 2016 and 2015 are summarized as follows:

<u>Possible Claims and Judgments</u>	<u>2016</u>	<u>2015</u>
Balance, beginning	\$ 197,320	\$ 244,500
Current year claims and changes in estimates	519,863	579,951
Claim payments	(549,148)	(627,131)
Balance, ending	<u>\$ 168,035</u>	<u>\$ 197,320</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2016 consist of the following:

<b>Long-Term Debt:</b>	<b>Serviced By</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
<b>Installment Purchases:</b>		
Building; due in monthly installments of \$80,491; maturing June 2019; interest at 1.62% (LGC)	\$ 2,826,542	\$ -
Equipment; due in monthly installments of \$54,167; maturing May 2018; interest at 1.11%	813,305	432,528
Improvements; due in monthly installments of \$73,394; maturing April 2018; interest at .989% (LGC)	123,037	1,476,439
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55% (LGC)	7,760,000	-
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	129,604	230,604
Improvements; due in monthly installments of \$35,057; maturing April 2017; interest at 1.353% (LGC)	-	348,410
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	2,608,681
Improvements; due in monthly installments of \$14,831 plus interest; maturing May 2019; interest at 1.35% (LGC)	471,831	-
Equipment; due in monthly installments of \$52,715; maturing May 2017; interest at 1.027%	333,536	243,358
Improvements; due in monthly installments of \$23,083; maturing June 2025; interest at 2.07% (LGC)	1,989,000	504,000
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	396,923	-
Equipment; due in monthly installments of \$46,937; maturing April 2021; interest at 1.334%	889,166	1,745,874
Equipment; due in monthly installments of \$61,692; maturing May 2019; interest at 1.24%	1,234,383	885,176
Total installment purchases	\$ 16,967,327	\$ 8,475,070

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

<b>Other Long-Term Debt:</b>	<b>Serviced By</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
HUD - Section 108 Loan Guarantee - Douglas Block project	\$ 1,930,000	\$ -
YMCA - Building purchase agreement	100,000	-
Other - NCDOT	1,009,857	-
Other - NCDENR (LGC)	-	6,088,810
Subtotal	3,039,857	6,088,810
Unfunded Special Separation Allowance	1,250,867	-
Other post-employment benefits	4,943,409	1,554,447
Total other long-term debt	9,234,133	7,643,257
Total outstanding	26,201,460	16,118,327
Less current portion	4,365,237	3,441,388
	<b>\$ 21,836,223</b>	<b>\$ 12,676,939</b>

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)	\$ 267,988
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,246,602
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0% (LGC)	1,912,345
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02% (LGC)	1,488,371
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	173,504
	<b>\$ 6,088,810</b>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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.

### Changes in Long-Term Debt

The following are summaries of changes in the City's long-term debt for the year ended June 30, 2016:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>July 1, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2016</b>	<b>One Year</b>
<b>Governmental Activities:</b>					
Installment purchases	\$ 18,578,801	\$ 2,173,000	\$ 3,784,474	\$ 16,967,327	\$ 3,531,369
Unfunded Special Separation Allowance	1,163,510	505,133	417,776	1,250,867	-
HUD Loan	2,075,000	-	145,000	1,930,000	145,000
YMCA	200,000	-	100,000	100,000	100,000
Other - NCDOT	1,453,760	16,128	460,031	1,009,857	588,868
Net pension liability (LGERS)	-	2,609,759	-	2,609,759	-
Other post-employment benefits	4,407,449	535,960	-	4,943,409	-
Compensated absences	3,458,689	2,055,100	1,906,952	3,606,837	1,906,952
<b>Total</b>	<b>\$ 31,337,209</b>	<b>\$ 7,895,080</b>	<b>\$ 6,814,233</b>	<b>\$ 32,418,056</b>	<b>\$ 6,272,189</b>
<b>All Business-Type Activities:</b>					
Installment purchases	\$ 8,845,333	\$ 2,685,000	\$ 3,055,263	\$ 8,475,070	\$ 3,011,960
Other - NCDENR	6,518,238	-	429,428	6,088,810	429,428
Net pension liability (LGERS)	-	849,108	-	849,108	-
Other post-employment benefits	1,383,411	171,036	-	1,554,447	-
Compensated absences	747,484	573,225	584,369	736,340	580,563
<b>Total</b>	<b>\$ 17,494,466</b>	<b>\$ 4,278,369</b>	<b>\$ 4,069,060</b>	<b>\$ 17,703,775</b>	<b>\$ 4,021,951</b>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
<b>Electric Fund:</b>					
Installment purchases	\$ 3,498,613	\$ 1,342,000	\$ 1,337,507	\$ 3,503,106	\$ 1,385,015
Net pension liability (LGERS)	-	261,518	-	261,518	-
Other post-employment benefits	448,291	56,781	-	505,072	-
Compensated absences	287,366	254,436	232,256	309,546	232,256
Total	<u>\$ 4,234,270</u>	<u>\$ 1,914,735</u>	<u>\$ 1,569,763</u>	<u>\$ 4,579,242</u>	<u>\$ 1,617,271</u>
<b>Gas Fund:</b>					
Installment purchases	\$ 521,526	-	\$ 282,865	\$ 238,661	\$ 238,661
Net pension liability (LGERS)	-	88,101	-	88,101	-
Other post-employment benefits	148,578	17,311	-	165,889	-
Compensated absences	84,887	50,367	69,530	65,724	65,724
Total	<u>\$ 754,991</u>	<u>\$ 155,779</u>	<u>\$ 352,395</u>	<u>\$ 558,375</u>	<u>\$ 304,385</u>
<b>Water Fund:</b>					
Installment purchases	\$ 894,944	1,011,000	\$ 323,812	\$ 1,582,132	\$ 422,494
Other - NCDENR	185,897	-	12,393	173,504	12,393
Net pension liability (LGERS)	-	219,742	-	219,742	-
Other post-employment benefits	385,549	43,625	-	429,174	-
Compensated absences	155,439	112,522	124,382	143,579	124,382
Total	<u>\$ 1,621,829</u>	<u>\$ 1,386,889</u>	<u>\$ 460,587</u>	<u>\$ 2,548,131</u>	<u>\$ 559,269</u>
<b>Sewer Fund:</b>					
Installment purchases	\$ 3,011,416	\$ 137,000	\$ 685,677	\$ 2,462,739	\$ 607,419
Other - NCDENR	6,332,341	-	417,035	5,915,306	417,035
Net pension liability (LGERS)	-	147,083	-	147,083	-
Other post-employment benefits	197,746	27,698	-	225,444	-
Compensated absences	124,731	83,491	92,483	115,739	92,483
Total	<u>\$ 9,666,234</u>	<u>\$ 395,272</u>	<u>\$ 1,195,195</u>	<u>\$ 8,866,311</u>	<u>\$ 1,116,937</u>
<b>Stormwater Fund:</b>					
Installment purchases	\$ 918,833	\$ 195,000	\$ 425,402	\$ 688,431	\$ 358,371
Net pension liability (LGERS)	-	132,664	-	132,664	-
Other post-employment benefits	203,248	25,621	-	228,869	-
Compensated absences	95,061	72,409	65,718	101,752	65,718
Total	<u>\$ 1,217,142</u>	<u>\$ 425,694</u>	<u>\$ 491,120</u>	<u>\$ 1,151,716</u>	<u>\$ 424,089</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016, including interest, are as follows:

	<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Governmental Activities:</b>				
2017	\$ 3,531,369	\$ 329,714	\$ 833,868	\$ 69,499
2018	3,179,168	270,243	565,989	65,460
2019	2,660,196	214,867	145,000	61,089
2020	1,160,841	173,595	145,000	56,434
2021	1,025,087	146,102	145,000	51,555
2022-2026	4,117,332	411,821	725,000	175,560
2027-2029	1,293,334	34,354	480,000	33,021
Total governmental activities	<u>16,967,327</u>	<u>1,580,696</u>	<u>3,039,857</u>	<u>512,618</u>
<b>Business-Type Activities:</b>				
2017	3,011,960	186,057	429,428	87,461
2018	2,312,360	129,678	429,428	80,738
2019	1,438,885	81,314	429,428	74,015
2020	1,122,770	39,095	429,428	67,292
2021	365,095	7,156	429,428	60,569
2022-2026	224,000	9,467	2,117,369	202,000
2027-2031	-	-	1,424,218	56,722
2032-2033	-	-	400,083	5,253
Total business-type activities	<u>8,475,070</u>	<u>452,767</u>	<u>6,088,810</u>	<u>634,050</u>
 Total	 <u>\$ 25,442,397</u>	 <u>\$ 2,033,463</u>	 <u>\$ 9,128,667</u>	 <u>\$ 1,146,668</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, 2016, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$319,049,524.

### 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, 2016, the Rolling Meadows Apartments – Series 2006 is the only revenue bond outstanding, with an aggregate principal amount payable of \$4,800,000.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 12. Interfund Balances and Activity

#### Due To/From Other Funds

The composition of interfund balances as of June 30, 2016, are as follows:

<b>Payable Fund</b>	<b>Receivable Fund</b>
	<b>General</b>
Community Development	106,850
Crime/Safety Control Fund	23,676
	\$ 130,526

The amounts due to the General fund from the nonmajor governmental funds represent \$130,526 in cash advances to cover expenses in the Special Revenue funds. During fiscal year 2015, the Gas fund loaned funds to the General fund for the purchase of recycling and rollout carts for environmental services division. The balance on this loan at June 30, 2016 was \$412,565.

#### Transfers To/From Other Funds

<b>Transfer Out</b>	<b>Transfer In</b>			<b>Total</b>
	<b>General Fund</b>	<b>Nonmajor Governmental</b>	<b>Enterprise</b>	
General Fund	\$ -	\$ 1,766,584	\$ 75,000	\$ 1,841,584
Nonmajor Governmental Funds	500,000	-	-	500,000
Electric Fund	1,700,000	-	-	1,700,000
Gas Fund	2,100,000	-	-	2,100,000
Water Fund	500,000	-	-	500,000
Sewer Fund	-	10,762	-	10,762
Total	\$ 4,800,000	\$ 1,777,346	\$ 75,000	\$ 6,652,346

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

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 13. Jointly Governed Organizations

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

#### **Braswell Memorial Library**

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve-member Council of Trustees of the Library. The City appoints three of the twelve Council members. The City contributed \$625,525 to the library's operating purposes during the year ended June 30, 2016.

#### **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. On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA's outstanding revenue bonds. The NCEMPA entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA's new revenue bonds. At December 31, 2015, \$421,430,000 of the bonds were outstanding (plus unamortized premium of \$1,577,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 (RMWAA). Each of the entities appoints members of the seven-member council of commissioners of the Authority. The City appoints two of the seven Council members. The City has an ongoing financial responsibility for the airport and contributed \$111,963 to the Authority for operating purposes and capital outlay during the year ended June 30, 2016. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$2,055,751 which represents 29% of the net position of the RMWAA shown in their audited June 30, 2015 financial statements has been reflected in the City's Statement of Net Position as a noncurrent asset at June 30, 2016. The current year investment is included in the miscellaneous revenues in the Statement of Activities. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

### 15. Related Organization

#### **Rocky Mount Housing Authority**

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low income families who cannot afford private housing. The mayor of the City appoints the entire Council of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2016, this payment totaled \$41,771.

### 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 \$14,058,952 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General fund.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of the Uniform Guidance and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### 18. Significant Contingencies

#### Environmental Concerns

The City operated a coal gas manufacturing plant from the 1920's to 1950's. In general, manufactured gas plants (MGP) produced coal gas for lighting and heating from coal. Byproducts of this process including coal tar and oils were typically stored and disposed of on sight. This may have caused contamination of the subsurface area of the MGP. The City has had to implement a NC Department of Environmental and Natural Resources (NCDENR) approved remedial investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. A remedial investigation (RI) work plan was developed, and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis. NCDENR approved the consultant's recommendation for a more in depth RI, and a remedial action plan (RAP) was developed and submitted to NCDENR for approval. Site cleanup activities were conducted from late December 2011 to mid-January 2012. A Remedial Action Report (RAR) was prepared and submitted to NCDENR on March 20, 2012 and was approved by NCDENR on April 26, 2012. The City is currently moving forward with establishing Declaration of Perpetual Land Use Restrictions (DPLURs) for the property which restricts groundwater use and soil exposure at the site. The restrictions, once finalized, will be included on the property deed in accordance with NCDENR requirements. The Land Use Restrictions are in the final stages of approval. Long-term groundwater monitoring was initiated during the 3<sup>rd</sup> Quarter of 2012. The monitoring is done to make sure contamination is not seeping down and spreading into the groundwater. Samples showed some contamination that had been leached into the soil. The City has recently allocated funds to remediate the leeching that is happening by using Aggressive Fluid Vapor Recovery, which vacuums out the contamination. The City will continue to monitor the contamination levels and groundwater monitoring will likely continue for the foreseeable future. As of June 30, 2016 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.

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

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 \$127,250 for the year ended June 30, 2016.

### **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.



**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, 2016

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B					
12/31/06	\$ -	\$ 2,501,361		\$ 2,501,361	0.00%	\$ 5,783,996	43.25%
12/31/07	-	2,748,305		2,748,305	0.00%	6,181,307	44.46%
12/31/08	-	2,831,425		2,831,425	0.00%	6,540,884	43.29%
12/31/09	-	3,835,812		3,835,812	0.00%	7,836,077	48.95%
12/31/10	-	3,848,097		3,848,097	0.00%	7,853,868	49.00%
12/31/11	-	4,057,250		4,057,250	0.00%	7,852,898	51.67%
12/31/12	-	4,215,301		4,215,301	0.00%	7,855,147	53.66%
12/31/13	-	4,283,038		4,283,038	0.00%	7,594,468	56.40%
12/31/14	-	4,314,361		4,314,361	0.00%	7,820,517	55.17%
12/31/15	-	4,947,822		4,947,822	0.00%	8,929,219	55.41%

## CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST - EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/06	\$ -	\$ 25,079,116	\$ 25,079,116	0.00%	\$ 33,339,163	75.2%
12/31/07	-	31,660,867	31,660,867	0.00%	32,250,543	98.2%
12/31/08	-	37,133,950	37,133,950	0.00%	34,732,711	106.9%
12/31/09	-	29,853,713	29,853,713	0.00%	41,748,252	71.5%
12/31/10	-	27,043,309	27,043,309	0.00%	41,186,985	65.7%
12/31/11	-	33,205,290	33,205,290	0.00%	40,261,835	82.5%
12/31/12	-	35,088,581	35,088,581	0.00%	40,225,360	87.2%
12/31/13	-	32,281,595	32,281,595	0.00%	38,506,523	83.8%
12/31/14	-	37,274,969	37,274,969	0.00%	38,746,271	96.2%
12/31/15	-	36,619,877	36,619,877	0.00%	40,732,113	89.9%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	\$ 2,532,013	57.75%
2009	2,926,108	50.30%
2010	2,416,530	57.53%
2011	2,416,530	76.76%
2012	2,096,518	109.90%
2013	2,483,862	88.00%
2014	2,762,658	65.32%
2015	2,505,110	77.08%
2016	2,885,505	75.86%

## 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	12/31/2015	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 7.50%	
Year of Ultimate trend rate	2022	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

CITY OF ROCKY MOUNT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST THREE FISCAL YEARS

## LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Rocky Mount's proportion of the net pension liability (asset) (%)	0.77070%	0.77537%	0.81440%
City of Rocky Mount's proportion of the net pension liability (asset) (\$)	\$ 3,458,867	\$ (4,572,714)	\$ 9,816,647
City of Rocky Mount's covered-employee payroll	\$ 41,170,604	\$ 39,599,802	\$39,111,519
City of Rocky Mount's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.40%	-11.55%	25.10%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	102.64%	94.35%

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

## CITY OF ROCKY MOUNT, NORTH CAROLINA

CITY OF ROCKY MOUNT'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTAL INFORMATION  
LAST THREE FISCAL YEARS

## LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,879,944	\$ 2,938,437	\$ 2,815,978
Contributions in relation to the contractually required contribution	2,879,944	2,938,437	2,815,978
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Rocky Mount's covered-employee payroll	\$ 42,215,771	\$ 41,170,604	\$ 39,599,802
Contributions as a percentage of covered-employee payroll	6.82%	7.14%	7.11%

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

## **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, 2016**

	<b>2016</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Revenues:</b>			
<b>Taxes:</b>			
<b>Ad Valorem Taxes:</b>			
Current year	\$ 24,050,000	\$ 23,412,244	\$ (637,756)
Prior years	540,000	385,613	(154,387)
Penalties and interest	225,000	205,916	(19,084)
Total	<u>24,815,000</u>	<u>24,003,773</u>	<u>(811,227)</u>
<b>Intergovernmental Revenues:</b>			
Payment in lieu of taxes	1,553,360	1,532,661	(20,699)
Local option sales tax	10,275,000	10,390,857	115,857
Telecommunications tax	675,000	619,550	(55,450)
Franchise tax	3,030,000	4,133,398	1,103,398
Tax refunds	125,000	24,110	(100,890)
Beer and wine tax	262,500	246,175	(16,325)
ABC revenues	87,000	94,428	7,428
Court facilities fees	107,000	108,682	1,682
State grants	2,585,636	1,697,292	(888,344)
On behalf payments - fire	-	13,857	13,857
Other	866,400	894,288	27,888
Total	<u>19,566,896</u>	<u>19,755,298</u>	<u>188,402</u>
<b>Licenses, Permits and Other Taxes:</b>			
Building permits and inspection fees	478,900	558,034	79,134
Rental vehicle tax	62,000	78,016	16,016
Animal tax	20,000	19,014	(986)
Other	247,100	203,789	(43,311)
Total	<u>808,000</u>	<u>858,853</u>	<u>50,853</u>
<b>Sales and Service:</b>			
Solid waste and recycling charge	3,845,100	3,813,833	(31,267)
Reconnection charges	310,000	331,750	21,750
Weed control charges	72,500	63,530	(8,970)
Cemetery revenues	122,500	176,457	53,957
Sale of fixed assets	127,000	369,597	242,597
Recreation department fee	884,300	777,227	(107,073)
Transfer station charges	2,400,000	2,368,009	(31,991)
Concessions	240,500	154,236	(86,264)
Other	571,400	761,086	189,686
Total	<u>8,573,300</u>	<u>8,815,725</u>	<u>242,425</u>
Investment Earnings	<u>65,000</u>	<u>103,509</u>	<u>38,509</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, 2016**

	<b>2016</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Miscellaneous:</b>			
Insurance	23,480	93,222	69,742
Demolition assessment	27,000	52,046	25,046
Excess utility tax	60,000	164,099	104,099
Rents	377,300	424,228	46,928
Contributions	175,681	117,798	(57,883)
Parking	4,140	6,262	2,122
Other	131,770	266,667	134,897
Total	<u>799,371</u>	<u>1,124,322</u>	<u>324,951</u>
Total revenues	<u>54,627,567</u>	<u>54,661,480</u>	<u>33,913</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Mayor and City Council:</b>			
Salaries	85,281	85,280	1
Employee benefits	53,104	51,203	1,901
Operating expenses	911,351	707,302	204,049
Capital outlay	10,000	-	10,000
Utility service fee	(377,300)	(377,300)	-
Total	<u>682,436</u>	<u>466,485</u>	<u>215,951</u>
<b>City Clerk:</b>			
Salaries	182,405	181,901	504
Employee benefits	54,292	54,292	-
Operating expenses	28,290	28,005	285
Capital outlay	12,800	12,250	550
Utility service fee	(119,600)	(119,600)	-
Total	<u>158,187</u>	<u>156,848</u>	<u>1,339</u>
<b>Community Services:</b>			
Operating expenses	1,189,376	1,132,483	56,893
Utility service fee	(699,000)	(699,000)	-
Total	<u>490,376</u>	<u>433,483</u>	<u>56,893</u>
<b>City Manager:</b>			
Salaries	695,390	695,367	23
Employee benefits	170,300	170,256	44
Operating expenses	102,975	100,797	2,178
Capital outlay	5,110	4,638	472
Utility service fee	(452,800)	(452,800)	-
Total	<u>520,975</u>	<u>518,258</u>	<u>2,717</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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Public Affairs:</b>			
Salaries	156,510	156,504	6
Employee benefits	42,595	42,594	1
Operating expenses	125,830	94,766	31,064
Capital outlay	12,000	11,925	75
Utility service fee	(163,200)	(163,200)	-
Total	173,735	142,589	31,146
<b>Downtown Development:</b>			
Salaries	71,095	71,094	1
Employee benefits	19,095	19,060	35
Operating expenses	321,722	70,759	250,963
Utility service fee	(143,500)	(143,500)	-
Total	268,412	17,413	250,999
<b>Finance:</b>			
<b>Administration:</b>			
Salaries	226,665	226,661	4
Employee benefits	59,770	59,395	375
Operating expenses	1,161,210	1,071,943	89,267
Utility service fee	(1,357,999)	(1,230,660)	(127,339)
Total	89,646	127,339	(37,693)
<b>Accounting:</b>			
Salaries	456,770	456,223	547
Employee benefits	121,142	120,453	689
Operating expenses	111,850	57,676	54,174
Utility service fee	(634,352)	(570,917)	(63,435)
Total	55,410	63,435	(8,025)
<b>Purchasing:</b>			
Salaries	365,910	365,904	6
Employee benefits	107,100	107,088	12
Operating expenses	38,300	30,338	7,962
Utility service fee	(476,200)	(476,200)	-
Total	35,110	27,130	7,980

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Utility Billing:</b>			
Salaries	1,793,480	1,793,157	323
Employee benefits	534,660	530,167	4,493
Operating expenses	770,350	755,138	15,212
Capital outlay	29,000	23,600	5,400
Utility service fee	(3,089,509)	(3,089,509)	-
Total	37,981	12,553	25,428
<b>Technology Services:</b>			
Salaries	551,250	549,632	1,618
Employee benefits	140,790	139,474	1,316
Operating expenses	1,377,618	1,364,702	12,916
Capital outlay	544,775	425,448	119,327
Utility service fee	(2,107,800)	(2,298,574)	190,774
Total	506,633	180,682	325,951
Total finance	724,780	411,139	313,641
<b>Central Services:</b>			
<b>Municipal Building:</b>			
Salaries	335,260	335,259	1
Employee benefits	103,080	103,044	36
Operating expenses	890,000	835,995	54,005
Capital outlay	308,100	221,002	87,098
Utility service fee	(1,347,000)	(1,347,000)	-
Total	289,440	148,300	141,140
<b>Print Shop:</b>			
Operating expenses	140,250	137,592	2,658
Utility service fee	(115,700)	(115,700)	-
Total	24,550	21,892	2,658
<b>Judicial Center:</b>			
Salaries	117,200	117,196	4
Employee benefits	33,810	33,354	456
Operating expenses	128,360	118,381	9,979
Capital outlay	37,000	22,754	14,246
Total	316,370	291,685	24,685
Total central services	630,360	461,877	168,483

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Planning and Development:</b>			
<b>Planning Administration:</b>			
Salaries	373,340	373,146	194
Employee benefits	107,079	107,052	27
Operating expenses	40,693	32,369	8,324
Total	521,112	512,567	8,545
<b>Inspections:</b>			
Salaries	362,106	357,125	4,981
Employee benefits	124,170	97,991	26,179
Operating expenses	99,168	43,765	55,403
Total	585,444	498,881	86,563
<b>Community Development:</b>			
Salaries	284,540	284,533	7
Employee benefits	65,250	63,190	2,060
Operating expenses	56,294	47,011	9,283
Capital outlay	30,000	-	30,000
Total	436,084	394,734	41,350
<b>Neighborhood Redevelopment:</b>			
Operating expenses	590,400	368,764	221,636
Capital outlay	143,000	129,033	13,967
Total	733,400	497,797	235,603
Total planning and development	2,276,040	1,903,979	372,061
<b>Human Resources:</b>			
Salaries	622,850	622,846	4
Employee benefits	1,064,530	1,043,774	20,756
Operating expenses	538,410	103,412	434,998
Capital outlay	9,150	4,768	4,382
Utility service fee	(1,196,500)	(1,196,500)	-
Total human resources	1,038,440	578,300	460,140
<b>Human Relations:</b>			
Salaries	248,770	248,763	7
Employee benefits	69,240	69,169	71
Operating expenses	35,390	29,511	5,879
Total human relations	353,400	347,443	5,957
Total general government	7,317,141	5,437,814	1,879,327

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Public Safety:</b>			
<b>Police:</b>			
<b>Administration:</b>			
Salaries	944,640	944,639	1
Employee benefits	149,800	149,797	3
Operating expenses	181,539	181,534	5
Capital outlay	4,800	4,798	2
Total	1,280,779	1,280,768	11
<b>Support Services:</b>			
Salaries	2,358,210	2,358,189	21
Employee benefits	681,840	681,586	254
Operating expenses	519,818	489,673	30,145
Capital outlay	132,913	130,835	2,078
Total	3,692,781	3,660,283	32,498
<b>Special Operations:</b>			
Salaries	1,261,320	1,260,673	647
Employee benefits	363,710	362,009	1,701
Operating expenses	381,600	346,612	34,988
Capital outlay	44,000	36,695	7,305
Total	2,050,630	2,005,989	44,641
<b>Patrol Services:</b>			
Salaries	4,931,270	4,911,375	19,895
Employee benefits	1,626,080	1,626,062	18
Operating expenses	629,560	628,119	1,441
Capital outlay	508,887	503,383	5,504
Total	7,695,797	7,668,939	26,858
<b>Investigative Services:</b>			
Salaries	1,139,210	1,121,842	17,368
Employee benefits	347,160	329,957	17,203
Operating expenses	104,000	82,481	21,519
Capital outlay	22,000	21,912	88
Total	1,612,370	1,556,192	56,178
Total police	16,332,357	16,172,171	160,186

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Fire:</b>			
<b>Administration:</b>			
Salaries	316,930	316,577	353
Employee benefits	137,040	74,485	62,555
Operating expenses	391,845	402,561	(10,716)
Capital outlay	64,100	48,533	15,567
Total	909,915	842,156	67,759
<b>Operations:</b>			
Salaries	6,623,710	6,623,704	6
Employee benefits	1,782,230	1,781,707	523
Operating expenses	678,524	576,130	102,394
Capital outlay	997,700	952,012	45,688
Total	10,082,164	9,933,553	148,611
<b>Prevention:</b>			
Salaries	364,819	343,594	21,225
Employee benefits	107,620	86,838	20,782
Operating expenses	28,168	24,679	3,489
Capital outlay	500	401	99
Total	501,107	455,512	45,595
<b>Training:</b>			
Salaries	395,670	331,407	64,263
Employee benefits	106,920	80,369	26,551
Operating expenses	38,825	35,013	3,812
Capital outlay	800	739	61
Total	542,215	447,528	94,687
Total fire	12,035,401	11,678,749	356,652
Total public safety	28,367,758	27,850,920	516,838
<b>Public Works:</b>			
<b>Administration:</b>			
Salaries	89,505	89,503	2
Employee benefits	22,375	22,002	373
Operating expenses	89,815	89,711	104
Total	201,695	201,216	479

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Street and ROW Maintenance:</b>			
Salaries	637,510	626,434	11,076
Employee benefits	214,710	193,390	21,320
Operating expenses	1,466,280	1,420,480	45,800
Capital outlay	420,500	284,033	136,467
Service charges	(470,000)	(483,022)	13,022
Total	2,269,000	2,041,315	227,685
<b>Housing Code Enforcement:</b>			
Salaries	483,530	483,522	8
Employee benefits	135,470	129,285	6,185
Operating expenses	592,810	572,072	20,738
Total	1,211,810	1,184,879	26,931
<b>Environmental Service:</b>			
Salaries	1,742,060	1,585,052	157,008
Employee benefits	555,170	476,988	78,182
Operating expenses	3,455,560	3,322,522	133,038
Capital outlay	1,212,506	928,915	283,591
Total	6,965,296	6,313,477	651,819
<b>Fleet Maintenance:</b>			
Salaries	721,260	682,803	38,457
Employee benefits	222,890	202,133	20,757
Operating expenses	1,911,004	1,883,742	27,262
Capital outlay	44,000	36,453	7,547
Service charges	(2,805,130)	(2,805,131)	1
Total	94,024	-	94,024
Total public works	10,741,825	9,740,887	1,000,938
<b>Engineering:</b>			
<b>Administration:</b>			
Salaries	722,440	720,200	2,240
Employee benefits	189,860	186,477	3,383
Operating expenses	109,840	97,815	12,025
Capital outlay	33,000	30,275	2,725
Utility service fee	(552,700)	(552,700)	-
Total	502,440	482,067	20,373

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Traffic:</b>			
Salaries	497,480	497,479	1
Employee benefits	168,070	168,064	6
Operating expenses	442,760	400,367	42,393
Utility service fee	(536,500)	(536,500)	-
Total	571,810	529,410	42,400
Total engineering	1,074,250	1,011,477	62,773
<b>Parks and Recreation:</b>			
<b>Administration:</b>			
Salaries	297,830	277,816	20,014
Employee benefits	91,630	75,321	16,309
Operating expenses	240,070	215,943	24,127
Total	629,530	569,080	60,450
<b>Athletics:</b>			
Salaries	319,870	319,865	5
Employee benefits	75,170	75,165	5
Operating expenses	204,300	177,678	26,622
Capital outlay	1,500	-	1,500
Total	600,840	572,708	28,132
<b>Cultural Arts:</b>			
Salaries	274,420	247,259	27,161
Employee benefits	87,070	49,253	37,817
Operating expenses	213,500	203,536	9,964
Capital outlay	17,690	17,496	194
Total	592,680	517,544	75,136
<b>Amusements and Special Events:</b>			
Salaries	51,580	51,081	499
Employee benefits	17,690	16,989	701
Operating expenses	260,825	259,469	1,356
Total	330,095	327,539	2,556
<b>Museum:</b>			
Salaries	264,840	264,803	37
Employee benefits	129,180	129,158	22
Operating expenses	172,936	170,722	2,214
Capital outlay	2,500	1,869	631
Total	569,456	566,552	2,904

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, 2016

	2016		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Parks Maintenance:</b>			
Salaries	1,056,720	995,701	61,019
Employee benefits	302,790	279,341	23,449
Operating expenses	849,973	775,544	74,429
Capital outlay	167,925	106,460	61,465
Total	2,377,408	2,157,046	220,362
<b>Cemetery Operations:</b>			
Salaries	278,540	278,066	474
Employee benefits	94,720	85,738	8,982
Operating expenses	73,150	59,026	14,124
Capital outlay	19,050	13,873	5,177
Total	465,460	436,703	28,757
<b>Outdoor Programs:</b>			
Salaries	128,035	81,278	46,757
Employee benefits	21,180	6,448	14,732
Operating expenses	44,540	33,565	10,975
Total	193,755	121,291	72,464
<b>Neighborhood Programs:</b>			
Salaries	563,240	563,237	3
Employee benefits	95,910	95,899	11
Operating expenses	238,160	214,538	23,622
Capital outlay	115,500	8,707	106,793
Total	1,012,810	882,381	130,429
<b>Senior Programs:</b>			
Salaries	275,300	275,293	7
Employee benefits	54,430	54,100	330
Operating expenses	232,235	232,003	232
Capital outlay	29,670	15,767	13,903
Total	591,635	577,163	14,472
<b>Sports Complex:</b>			
Salaries	173,250	153,474	19,776
Employee benefits	26,310	26,302	8
Operating expenses	471,796	468,520	3,276
Capital outlay	89,000	80,841	8,159
Total	760,356	729,137	31,219

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, 2016

	<b>2016</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Imperial Centre:</b>			
Salaries	398,000	397,577	423
Employee benefits	75,320	74,508	812
Operating expenses	559,360	556,051	3,309
Capital outlay	6,750	6,741	9
Total	<u>1,039,430</u>	<u>1,034,877</u>	<u>4,553</u>
Total parks and recreation	<u>9,163,455</u>	<u>8,492,021</u>	<u>671,434</u>
<b>Public Service:</b>			
Capital outlay	<u>4,375,806</u>	<u>2,415,496</u>	<u>1,960,310</u>
<b>Debt service expenditures:</b>			
Principal	3,798,307	3,798,307	-
Interest	404,763	404,113	650
Total debt service expenditures	<u>4,203,070</u>	<u>4,202,420</u>	<u>650</u>
Total expenditures	<u>65,243,305</u>	<u>59,151,035</u>	<u>6,092,270</u>
Revenues over (under) expenditures	<u>(10,615,738)</u>	<u>(4,489,555)</u>	<u>6,126,183</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,947,710)	(1,841,584)	106,126
Transfers from other funds	4,800,000	4,800,000	-
Installment purchase financing issued	2,444,775	2,173,000	(271,775)
Total other financing sources (uses):	<u>5,297,065</u>	<u>5,131,416</u>	<u>(165,649)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,318,673)</u>	641,861	5,960,534
Fund balance appropriated	<u>5,318,673</u>	-	<u>(5,318,673)</u>
Net change in fund balance	<u>\$ -</u>	641,861	<u>\$ 641,861</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>26,644,451</u>	
End of year, June 30		<u>\$ 27,286,312</u>	



## **NON MAJOR GOVERNMENTAL FUNDS**



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 644,385	\$ 504,906	\$ 1,149,291
Receivables - net:			
Ad valorem taxes	-	11,074	11,074
Other governmental agencies	631,241	-	631,241
Other	461,267	978	462,245
Prepaid items	260,000	-	260,000
Restricted cash and investments	500	792,144	792,644
Total assets	<u>\$ 1,997,393</u>	<u>\$ 1,309,102</u>	<u>\$ 3,306,495</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 64,698	\$ 221,581	\$ 286,279
Liabilities to be paid from restricted assets	500	-	500
Due to other funds	130,526	-	130,526
Total liabilities	<u>195,724</u>	<u>221,581</u>	<u>417,305</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	-	11,074	11,074
Total deferred inflows of resources	<u>-</u>	<u>11,074</u>	<u>11,074</u>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Prepaid items	260,000	-	260,000
<b>Restricted:</b>			
Stabilization by State statute	1,092,508	978	1,093,486
Future capital projects	-	792,144	792,144
Public safety	198,083	-	198,083
Parks and recreation	146,705	-	146,705
<b>Committed</b>			
Public service	285,493	-	285,493
Future capital projects	-	383,770	383,770
<b>Unassigned</b>	<u>(181,120)</u>	<u>(100,445)</u>	<u>(281,565)</u>
Total fund balances	<u>1,801,669</u>	<u>1,076,447</u>	<u>2,878,116</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,997,393</u>	<u>\$ 1,309,102</u>	<u>\$ 3,306,495</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, 2016**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ 77,656	\$ 77,656
Intergovernmental	4,813,839	65,000	4,878,839
Project revenues	2,241,753	4,738	2,246,491
Investment earnings	1,715	1,767	3,482
Contributions	-	20,000	20,000
Miscellaneous	311	2,350	2,661
Total revenues	<u>7,057,618</u>	<u>171,511</u>	<u>7,229,129</u>
<b>Expenditures:</b>			
General government	-	826,855	826,855
Public safety	119,116	95,483	214,599
Parks and recreation	15,547	1,642,385	1,657,932
Public service	4,733,690	1,261,081	5,994,771
Community revitalization	1,884,490	-	1,884,490
Economic development	31,056	-	31,056
Debt service:			
Principal	72,500	-	72,500
Interest	<u>36,511</u>	<u>-</u>	<u>36,511</u>
Total expenditures	<u>6,892,910</u>	<u>3,825,804</u>	<u>10,718,714</u>
Revenues over (under) expenditures	<u>164,708</u>	<u>(3,654,293)</u>	<u>(3,489,585)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	-	(500,000)
Transfers from other funds	<u>340,262</u>	<u>1,437,084</u>	<u>1,777,346</u>
Total other financing sources (uses)	<u>(159,738)</u>	<u>1,437,084</u>	<u>1,277,346</u>
Net change in fund balances	4,970	(2,217,209)	(2,212,239)
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>1,796,699</u>	<u>3,293,656</u>	<u>5,090,355</u>
End of year, June 30	<u>\$ 1,801,669</u>	<u>\$ 1,076,447</u>	<u>\$ 2,878,116</u>

# **NON MAJOR SPECIAL REVENUE FUNDS**

## **Public Transportation Grants Fund**

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

## **Entitlement Grants Fund**

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

## **Crime/Safety Control Fund**

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

## **Economic Development Fund**

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

## **Emergency Telephone System Fund**

This fund was established to account for state funds received related to monthly charges to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

## **Occupancy Tax**

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>	<u>Economic Development</u>
<b>Assets:</b>				
Cash and cash equivalents/investments	\$ 202,187	\$ -	\$ -	\$ 97,265
Receivables - net:				
Other governmental agencies	362,071	216,142	24,650	-
Other	451,333	2,356	-	7,578
Prepaid items	260,000	-	-	-
Restricted cash and investments	-	500	-	-
Total assets	<u>\$ 1,275,591</u>	<u>\$ 218,998</u>	<u>\$ 24,650</u>	<u>\$ 104,843</u>
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 13,959	\$ 50,594	\$ -	\$ -
Liabilities to be paid from restricted assets	-	500	-	-
Due to other funds	-	106,850	23,676	-
Total liabilities	<u>13,959</u>	<u>157,944</u>	<u>23,676</u>	<u>-</u>
<b>Fund Balance:</b>				
<b>Nonspendable:</b>				
Prepaid items	260,000		-	-
<b>Restricted:</b>				
Stabilization by State statute	813,404	218,498	24,650	7,578
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
<b>Committed</b>	188,228	-	-	97,265
<b>Unassigned</b>	-	(157,444)	(23,676)	-
Total fund balance (deficit)	<u>1,261,632</u>	<u>61,054</u>	<u>974</u>	<u>104,843</u>
Total liabilities and fund balance	<u>\$ 1,275,591</u>	<u>\$ 218,998</u>	<u>\$ 24,650</u>	<u>\$ 104,843</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Schedule D-1

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2016

	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 198,228	\$ 146,705	\$ 644,385
Receivables - net:			
Other governmental agencies	28,378	-	631,241
Other	-	-	461,267
Prepaid items	-	-	260,000
Restricted cash and investments	-	-	500
Total assets	<u>\$ 226,606</u>	<u>\$ 146,705</u>	<u>\$ 1,997,393</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 145	\$ -	\$ 64,698
Liabilities to be paid from restricted assets	-	-	500
Due to other funds	-	-	130,526
Total liabilities	<u>145</u>	<u>-</u>	<u>195,724</u>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
Prepaid items	-	-	260,000
<b>Restricted:</b>			
Stabilization by State statute	28,378	-	1,092,508
Public safety	198,083	-	198,083
Parks and recreation	-	146,705	146,705
<b>Committed</b>			
	-	-	285,493
<b>Unassigned</b>			
	-	-	(181,120)
Total fund balance (deficit)	<u>226,461</u>	<u>146,705</u>	<u>1,801,669</u>
Total liabilities and fund balance	<u>\$ 226,606</u>	<u>\$ 146,705</u>	<u>\$ 1,997,393</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, 2016**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
<b>Revenues:</b>			
Intergovernmental	\$ 1,966,776	\$ 1,733,870	\$ 118,031
Project revenues	2,014,304	227,449	-
Investment earnings	-	2	-
Miscellaneous	311	-	-
Total revenues	<u>3,981,391</u>	<u>1,961,321</u>	<u>118,031</u>
<b>Expenditures:</b>			
Public safety	-	-	119,116
Parks and recreation	-	-	15,547
Public service	4,283,583	-	-
Community revitalization	-	1,884,490	-
Economic development	-	-	-
Debt service:			
Principal	-	72,500	-
Interest	-	36,511	-
Total expenditures	<u>4,283,583</u>	<u>1,993,501</u>	<u>134,663</u>
Revenues over (under) expenditures	<u>(302,192)</u>	<u>(32,180)</u>	<u>(16,632)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	-	-	-
Transfers from other funds	265,975	50,000	13,525
Total other financing sources (uses)	<u>265,975</u>	<u>50,000</u>	<u>13,525</u>
Net change in fund balances	(36,217)	17,820	(3,107)
<b>Fund Balance:</b>			
Beginning of year, July 1	1,297,849	43,234	4,081
End of year , June 30	<u>\$ 1,261,632</u>	<u>\$ 61,054</u>	<u>\$ 974</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**Schedule D-2**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Economic Development</b>	<b>Emergency Telephone System</b>	<b>Occupancy Tax</b>	<b>Total</b>
<b>Revenues:</b>				
Intergovernmental	\$ 118,994	\$ 340,532	\$ 535,636	\$ 4,813,839
Project revenues	-	-	-	2,241,753
Investment earnings	-	865	848	1,715
Miscellaneous	-	-	-	311
Total revenues	<u>118,994</u>	<u>341,397</u>	<u>536,484</u>	<u>7,057,618</u>
<b>Expenditures:</b>				
Public safety	-	-	-	119,116
Parks and recreation	-	-	-	15,547
Public service	-	450,107	-	4,733,690
Community revitalization	-	-	-	1,884,490
Economic development	31,056	-	-	31,056
Debt service:				
Principal	-	-	-	72,500
Interest	-	-	-	36,511
Total expenditures	<u>31,056</u>	<u>450,107</u>	<u>-</u>	<u>6,892,910</u>
Revenues over (under) expenditures	<u>87,938</u>	<u>(108,710)</u>	<u>536,484</u>	<u>164,708</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	-	-	(500,000)	(500,000)
Transfers from other funds	10,762	-	-	340,262
Total other financing sources (uses)	<u>10,762</u>	<u>-</u>	<u>(500,000)</u>	<u>(159,738)</u>
Net change in fund balances	98,700	(108,710)	36,484	4,970
<b>Fund Balance:</b>				
Beginning of year, July 1	<u>6,143</u>	<u>335,171</u>	<u>110,221</u>	<u>1,796,699</u>
End of year , June 30	<u>\$ 104,843</u>	<u>\$ 226,461</u>	<u>\$ 146,705</u>	<u>\$ 1,801,669</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - 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, 2016

	Project Authorization	Actual		
		Prior Years	Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 7,706,565	\$ 2,576,453	\$ 1,966,776	\$ 4,543,229
Project revenues	5,644,862	3,661,913	2,014,304	5,676,217
Miscellaneous	5,000	11,444	311	11,755
Total revenues	<u>13,356,427</u>	<u>6,249,810</u>	<u>3,981,391</u>	<u>10,231,201</u>
<b>Expenditures:</b>				
<b>Public Service:</b>				
Operating	10,237,293	6,012,669	3,856,938	9,869,607
Capital outlay	4,981,384	872,480	426,645	1,299,125
Total expenditures	<u>15,218,677</u>	<u>6,885,149</u>	<u>4,283,583</u>	<u>11,168,732</u>
Revenues over (under) expenditures	<u>(1,862,250)</u>	<u>(635,339)</u>	<u>(302,192)</u>	<u>(937,531)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	662,287	324,197	265,975	590,172
Transfers to other funds	(25,000)	(25,000)	-	(25,000)
Fund balance appropriated	1,224,963	-	-	-
Total other financing sources (uses)	<u>1,862,250</u>	<u>299,197</u>	<u>265,975</u>	<u>565,172</u>
Adjustment for closed projects	-	1,633,991		1,633,991
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,297,849</u>	<u>(36,217)</u>	<u>\$ 1,261,632</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			1,297,849	
End of year, June 30			<u>\$ 1,261,632</u>	

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

Revenues:	
Intergovernmental	\$ 984,424
Project revenues	85,965
Total revenues:	<u>1,070,389</u>
Expenditures:	
Operating	795,656
Capital outlay	324,401
Total expenditures:	<u>1,120,057</u>
Revenues over (under) expenditures	<u>\$ (49,668)</u>
Transfers from other funds	63,926
Adjustment to Fund Balance	<u>\$ 14,258</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, 2016

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 16,389,269	\$ 12,160,801	\$ 1,733,870	\$ 13,894,671
Project revenues	1,876,777	2,015,373	227,449	2,242,822
Investment earnings	-	9,882	2	9,884
Miscellaneous	7,322	20,172	-	20,172
Total revenues	<u>18,273,368</u>	<u>14,206,228</u>	<u>1,961,321</u>	<u>16,167,549</u>
<b>Expenditures:</b>				
Community revitalization program:				
Operating	18,079,544	14,034,081	1,884,490	15,918,571
Capital outlay	14,349	9,248	-	9,248
Debt service:				
Principal	471,500	397,500	72,500	470,000
Interest	192,975	157,165	36,511	193,676
Total expenditures	<u>18,758,368</u>	<u>14,597,994</u>	<u>1,993,501</u>	<u>16,591,495</u>
Revenues over (under) expenditures	<u>(485,000)</u>	<u>(391,766)</u>	<u>(32,180)</u>	<u>(423,946)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>485,000</u>	<u>435,000</u>	<u>50,000</u>	<u>485,000</u>
Total other financing sources (uses)	<u>485,000</u>	<u>435,000</u>	<u>50,000</u>	<u>485,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 43,234</u>	17,820	<u>\$ 61,054</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>43,234</u>	
End of year, June 30			<u>\$ 61,054</u>	
Prior year numbers have been reduced by the following amounts for projects closed:				
Revenues:				
Intergovernmental			\$ 683,424	
Project revenues			<u>111,118</u>	
Total revenues:			<u>794,542</u>	
Expenditures:				
Operating			<u>840,833</u>	
Total expenditures:			<u>840,833</u>	
Revenues over (under) expenditures			<u>\$ (46,291)</u>	
Transfers from other funds			<u>46,291</u>	
			<u>\$ -</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - 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, 2016

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 745,018	\$ 480,020	\$ 118,031	\$ 598,051
Investment earnings	-	179	-	179
Total revenues	<u>745,018</u>	<u>480,199</u>	<u>118,031</u>	<u>598,230</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Operating	411,344	240,380	97,630	338,010
Capital outlay	423,274	272,470	21,486	293,956
<b>Parks and Recreation:</b>				
Operating	35,000	28,794	15,547	44,341
Total expenditures	<u>869,618</u>	<u>541,644</u>	<u>134,663</u>	<u>676,307</u>
Revenues over (under) expenditures	<u>(124,600)</u>	<u>(61,445)</u>	<u>(16,632)</u>	<u>(78,077)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>124,600</u>	<u>65,526</u>	<u>13,525</u>	<u>79,051</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,081</u>	<u>(3,107)</u>	<u>\$ 974</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>4,081</u>	
End of year, June 30			<u>\$ 974</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 157,406
Investment earnings	4,659
Total revenues:	<u>162,065</u>
<b>Expenditures:</b>	
Operating	101,176
Capital outlay	<u>78,806</u>
Total expenditures:	<u>179,982</u>
Revenues over (under) expenditures	\$ (17,917)
Transfers from other funds	<u>17,917</u>
	<u>\$ -</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - 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, 2016

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 1,170,327	\$ 663,162	\$ 118,994	\$ 782,156
Miscellaneous	425,000	30,115	-	30,115
Investment earnings	-	10,496	-	10,496
Total revenues	<u>1,595,327</u>	<u>703,773</u>	<u>118,994</u>	<u>822,767</u>
<b>Expenditures:</b>				
<b>Economic development:</b>				
Operating	<u>1,956,607</u>	<u>1,140,288</u>	<u>31,056</u>	<u>1,171,344</u>
Total expenditures	<u>1,956,607</u>	<u>1,140,288</u>	<u>31,056</u>	<u>1,171,344</u>
Revenues over (under) expenditures	<u>(361,280)</u>	<u>(436,515)</u>	<u>87,938</u>	<u>(348,577)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>361,280</u>	<u>442,658</u>	<u>10,762</u>	<u>453,420</u>
Total other financing sources (uses)	<u>361,280</u>	<u>442,658</u>	<u>10,762</u>	<u>453,420</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,143</u>	98,700	<u>\$ 104,843</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>6,143</u>	
End of year, June 30			<u>\$ 104,843</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - EMERGENCY TELEPHONE SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 330,700	\$ 340,532	\$ 9,832
Investment earnings	-	865	865
Total revenues	<u>330,700</u>	<u>341,397</u>	<u>10,697</u>
<b>Expenditures:</b>			
Public service:			
Implemental functions	58,270	45,442	12,828
Telephone	134,930	112,820	22,110
Software maintenance	75,000	74,846	154
Hardware maintenance	53,000	52,262	738
Training	5,300	3,545	1,755
Capital outlay	<u>161,200</u>	<u>161,192</u>	<u>8</u>
Total expenditures	<u>487,700</u>	<u>450,107</u>	<u>37,593</u>
Revenues over (under) expenditures	<u>\$ (157,000)</u>	<u>(108,710)</u>	<u>\$ 48,290</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>157,000</u>	-	<u>(157,000)</u>
Total other financing sources (uses)	<u>157,000</u>	-	<u>(157,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(108,710)</u>	<u>\$ (108,710)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>335,171</u>	
End of year, June 30		<u>\$ 226,461</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - 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, 2016

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Intergovernmental	\$ 6,495,000	\$ 6,083,214	\$ 535,636	\$ 6,618,850
Investment earnings	35,000	56,014	848	56,862
Total revenues	<u>6,530,000</u>	<u>6,139,228</u>	<u>536,484</u>	<u>6,675,712</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(6,530,000)</u>	<u>(6,029,007)</u>	<u>(500,000)</u>	<u>(6,529,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 110,221</u>	36,484	<u>\$ 146,705</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>110,221</u>	
End of year, June 30			<u>\$ 146,705</u>	



## **NON MAJOR CAPITAL PROJECTS FUNDS**

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

### **General Capital Projects Fund**

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

### **General Capital Development Fund**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 121,136	\$ 383,770	\$ 504,906
Receivables - net:			
Ad valorem taxes	11,074	-	11,074
Other	978	-	978
Restricted cash and investments	792,144	-	792,144
Total assets	<u>\$ 925,332</u>	<u>\$ 383,770</u>	<u>\$ 1,309,102</u>
<b>Liabilities:</b>			
Accounts payable	\$ 221,581	\$ -	\$ 221,581
Total liabilities	<u>221,581</u>	<u>-</u>	<u>221,581</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	11,074	-	11,074
Total deferred inflows of resources	<u>11,074</u>	<u>-</u>	<u>11,074</u>
<b>Fund Balance:</b>			
<b>Restricted:</b>			
Stabilization by State statute	978	-	978
Future capital projects	792,144	-	792,144
<b>Committed</b>			
	-	383,770	383,770
<b>Unassigned</b>			
	(100,445)	-	(100,445)
Total fund balance	<u>692,677</u>	<u>383,770</u>	<u>1,076,447</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 925,332</u>	<u>\$ 383,770</u>	<u>\$ 1,309,102</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, 2016**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Taxes	\$ 77,656	\$ -	\$ 77,656
Intergovernmental	65,000	-	65,000
Project revenues	4,738	-	4,738
Investment earnings	1,767	-	1,767
Contributions	20,000	-	20,000
Miscellaneous	-	2,350	2,350
Total revenues	<u>169,161</u>	<u>2,350</u>	<u>171,511</u>
<b>Expenditures:</b>			
General government	826,855	-	826,855
Public safety	95,483	-	95,483
Parks and recreation	1,640,280	2,105	1,642,385
Public service	-	1,261,081	1,261,081
Total expenditures	<u>2,562,618</u>	<u>1,263,186</u>	<u>3,825,804</u>
Revenues over (under) expenditures	<u>(2,393,457)</u>	<u>(1,260,836)</u>	<u>(3,654,293)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	-	1,437,084	1,437,084
Total other financing sources (uses)	<u>-</u>	<u>1,437,084</u>	<u>1,437,084</u>
Net change in fund balances	(2,393,457)	176,248	(2,217,209)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>3,086,134</u>	<u>207,522</u>	<u>3,293,656</u>
End of year - June 30	<u>\$ 692,677</u>	<u>\$ 383,770</u>	<u>\$ 1,076,447</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND - GENERAL CAPITAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 89,000	\$ 77,656	\$ (11,344)
Intergovernmental	65,000	65,000	-
Project revenues	60,000	4,738	(55,262)
Investment earnings	1,000	1,767	767
Contributions	20,000	20,000	-
Total revenues	<u>235,000</u>	<u>169,161</u>	<u>(65,839)</u>
<b>Expenditures:</b>			
General government	829,310	826,855	2,455
Public safety	96,698	95,483	1,215
Parks and recreation	<u>2,442,000</u>	<u>1,640,280</u>	<u>801,720</u>
Total expenditures	<u>3,368,008</u>	<u>2,562,618</u>	<u>805,390</u>
Revenues over (under) expenditures	<u>(3,133,008)</u>	<u>(2,393,457)</u>	<u>739,551</u>
<b>Other Financing Sources (Uses):</b>			
Installment purchase financing issued	884,310	-	(884,310)
Fund balance appropriated	<u>2,248,698</u>	<u>-</u>	<u>(2,248,698)</u>
Total other financing sources (uses)	<u>3,133,008</u>	<u>-</u>	<u>(3,133,008)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,393,457)</u>	<u>\$ (2,393,457)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>3,086,134</u>	
End of year, June 30		<u>\$ 692,677</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, 2016

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 6,115,114	\$ 6,007,489	\$ -	\$ 6,007,489
Investment earnings	-	63,608	-	63,608
Miscellaneous	4,976,535	4,934,794	2,350	4,937,144
Total revenues	<u>11,091,649</u>	<u>11,005,891</u>	<u>2,350</u>	<u>11,008,241</u>
<b>Expenditures:</b>				
Parks and recreation	951,500	706,828	2,105	708,933
Public service	19,190,478	17,636,621	1,261,081	18,897,702
Total expenditures	<u>20,141,978</u>	<u>18,343,449</u>	<u>1,263,186</u>	<u>19,606,635</u>
Revenues over (under) expenditures	<u>(9,050,329)</u>	<u>(7,337,558)</u>	<u>(1,260,836)</u>	<u>(8,598,394)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	6,250,329	4,745,080	1,437,084	6,182,164
Debt financing issued	2,800,000	2,800,000	-	2,800,000
Total other financing sources (uses)	<u>9,050,329</u>	<u>7,545,080</u>	<u>1,437,084</u>	<u>8,982,164</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 207,522</u>	176,248	<u>\$ 383,770</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>207,522</u>	
End of year, June 30			<u>\$ 383,770</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 81,410,000	\$ 80,485,127	\$ (924,873)
Other operating revenue	957,500	858,934	(98,566)
Other nonoperating revenue	-	317,144	317,144
Grants and subsidies	194,660	-	(194,660)
Investment earnings	22,000	69,728	47,728
Total revenues	<u>82,584,160</u>	<u>81,730,933</u>	<u>(853,227)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	2,298,770	2,298,751	19
Employee benefits	856,580	912,850	(56,270)
Electric power purchase	56,885,000	53,102,969	3,782,031
Operating expense	14,191,397	13,501,585	689,812
Engineering:			
Salaries	898,945	898,905	40
Employee benefits	246,790	246,788	2
Operating expense	560,784	475,584	85,200
Energy services:			
Salaries	750,840	745,263	5,577
Employee benefits	216,620	199,648	16,972
Operating expense	652,278	351,368	300,910
Budgetary appropriations:			
Capital outlay	4,905,669	3,353,766	1,551,903
Debt services expenditures	1,391,080	1,391,072	8
Appropriation to school system	44,540	44,540	-
Total expenditures and budgetary appropriations	<u>83,899,293</u>	<u>77,523,089</u>	<u>6,376,204</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,315,133)</u>	<u>4,207,844</u>	<u>5,522,977</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,700,000)	(1,700,000)	-
Installment purchase financing issued	1,355,963	1,342,000	(13,963)
Fund balance appropriated	1,659,170	-	(1,659,170)
Total other financing sources (uses)	<u>1,315,133</u>	<u>(358,000)</u>	<u>(1,673,133)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 3,849,844</u>	<u>\$ 3,849,844</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 3,849,844	
Depreciation		(1,768,660)	
Debt principal		1,337,507	
Capitalized capital outlay		2,959,933	
Gain (loss) on retirement/transfer of assets		(320,553)	
Rate stabilization/Working capital		6,200,000	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		231,298	
Pension expense		(133,902)	
Debt issued		(1,342,000)	
Change in net position		<u>\$ 11,013,467</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 23,600,000	\$ 20,218,245	\$ (3,381,755)
Other operating revenue	197,000	167,475	(29,525)
Other nonoperating revenue	-	4,599	4,599
Investment earnings	10,000	39,195	29,195
Total revenues	<u>23,807,000</u>	<u>20,429,514</u>	<u>(3,377,486)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	1,065,065	1,027,531	37,534
Employee benefits	536,150	526,575	9,575
Natural gas purchases	12,350,000	11,028,446	1,321,554
Operating expense	6,983,883	6,253,355	730,528
Budgetary appropriations:			
Capital outlay	1,642,287	920,885	721,402
Debt services expenditures	288,180	288,172	8
Appropriation to school system	82,710	82,710	-
Total expenditures and budgetary appropriations	<u>22,948,275</u>	<u>20,127,674</u>	<u>2,820,601</u>
Revenues over (under) expenditures	<u>858,725</u>	<u>301,840</u>	<u>(556,885)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(2,100,000)	(2,100,000)	-
Fund balance appropriated	1,241,275	-	(1,241,275)
Total other financing sources (uses)	<u>(858,725)</u>	<u>(2,100,000)</u>	<u>(1,241,275)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (1,798,160)</u>	<u>\$ (1,798,160)</u>

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

Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	\$ (1,798,160)
Depreciation	(758,623)
Debt principal	282,865
Capitalized capital outlay	610,143
Gain (loss) on retirement/transfer of assets	(107,803)
Deferred outflows of resources for contributions made to pension plan in current fiscal year	70,518
Pension expense	<u>(41,377)</u>
Change in net position	<u>\$ (1,742,437)</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,160,000	\$ 11,046,278	\$ (113,722)
Licenses and permits	50,000	49,025	(975)
Other operating revenue	226,080	244,884	18,804
Other nonoperating revenue	-	8,059	8,059
Investment earnings	18,000	32,080	14,080
Total revenues	<u>11,454,080</u>	<u>11,380,326</u>	<u>(73,754)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Water treatment plants:			
Salaries	1,719,360	1,529,563	189,797
Employee benefits	678,590	664,639	13,951
Operating expense	4,025,620	3,170,545	855,075
Water services:			
Salaries	760,200	743,023	17,177
Employee benefits	290,040	222,341	67,699
Operating expense	2,196,480	2,147,509	48,971
Budgetary appropriations:			
Capital outlay	2,487,544	946,486	1,541,058
Debt services expenditures	367,460	367,436	24
Total expenditures and budgetary appropriations	<u>12,525,294</u>	<u>9,791,542</u>	<u>2,733,752</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,071,214)</u>	<u>1,588,784</u>	<u>2,659,998</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	(500,000)	-
Installment purchase financing issued	1,044,000	1,011,000	(33,000)
Fund balance appropriated	527,214	-	(527,214)
Total other financing sources (uses)	<u>1,071,214</u>	<u>511,000</u>	<u>(560,214)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 2,099,784</u>	<u>\$ 2,099,784</u>
<b>Reconciliation from Budgetary Basis</b>			
<b>(Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 2,099,784	
Depreciation		(1,224,806)	
Debt principal		336,206	
Capitalized capital outlay		661,715	
Gain (loss) on retirement/transfer of assets		(120,487)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		177,705	
Pension expense		(104,119)	
Debt issued		<u>(1,011,000)</u>	
Change in net position		<u>\$ 814,998</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 12,560,000	\$ 12,532,495	\$ (27,505)
Licenses and permits	36,900	53,534	16,634
Other operating revenue	246,750	262,444	15,694
Other nonoperating revenue	2,000	257	(1,743)
Investment earnings	23,000	42,615	19,615
Total revenues	<u>12,868,650</u>	<u>12,891,345</u>	<u>22,695</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Waste water treatment plants:			
Salaries	1,171,170	1,080,236	90,934
Employee benefits	515,960	504,306	11,654
Operating expense	5,419,716	4,985,680	434,036
Sewer services:			
Salaries	617,510	617,369	141
Employee benefits	184,330	177,883	6,447
Operating expense	2,691,870	2,472,874	218,996
Budgetary appropriations:			
Capital outlay	2,998,686	1,828,753	1,169,933
Debt services expenditures	1,304,165	1,303,535	630
Total expenditures and budgetary appropriations	<u>14,903,407</u>	<u>12,970,636</u>	<u>1,932,771</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,034,757)</u>	<u>(79,291)</u>	<u>1,955,466</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(10,762)	(10,762)	-
Installment purchase financing issued	202,000	137,000	(65,000)
Fund balance appropriated	1,843,519	-	(1,843,519)
Total other financing sources (uses)	<u>2,034,757</u>	<u>126,238</u>	<u>(1,908,519)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 46,947</u>	<u>\$ 46,947</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 46,947	
Depreciation		(1,872,790)	
Debt principal		1,102,712	
Capitalized capital outlay		1,651,814	
Gain (loss) on retirement/transfer of assets		(630,832)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		112,828	
Pension expense		(66,607)	
Debt issued		<u>(137,000)</u>	
Change in net position		<u>\$ 207,072</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 4,040,090	\$ 4,022,698	\$ (17,392)
Other operating revenue	40,000	45,614	5,614
Other nonoperating revenue	500	-	(500)
Investment earnings	3,000	8,587	5,587
Total revenues	<u>4,083,590</u>	<u>4,076,899</u>	<u>(6,691)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Stormwater management:			
Salaries	207,610	159,284	(48,326)
Employee benefits	67,680	44,522	23,158
Operating expense	546,740	522,537	24,203
Stormwater operations:			
Salaries	1,347,250	1,346,172	1,078
Employee benefits	538,360	472,526	65,834
Operating expense	563,876	444,819	119,057
Budgetary appropriations:			
Capital outlay	2,224,010	1,297,046	926,964
Debt services expenditures	441,840	441,821	19
Total expenditures and budgetary appropriations	<u>5,937,366</u>	<u>4,728,727</u>	<u>1,111,987</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,853,776)</u>	<u>(651,828)</u>	<u>1,201,948</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	75,000	75,000	-
Installment purchase financing issued	915,000	195,000	(720,000)
Fund balance appropriated	863,776	-	(863,776)
Total other financing sources (uses)	<u>1,853,776</u>	<u>270,000</u>	<u>(1,583,776)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (381,828)</u>	<u>\$ (381,828)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (381,828)	
Depreciation		(364,426)	
Debt principal		425,402	
Capitalized capital outlay		1,280,291	
Gain (loss) on retirement/transfer of assets		(4,384)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		104,366	
Pension expense		(61,387)	
Debt issued		(195,000)	
Change in net position		<u>\$ 803,034</u>	



## **INTERNAL SERVICE FUNDS**

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

### **Risk Management Fund**

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

### **Communications Fund**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>			
Current Assets:			
Other	\$ 13,450	\$ -	\$ 13,450
Restricted cash and investments	1,004,654	2,661,549	3,666,203
Prepaid items	106,737	-	106,737
Total current assets	<u>1,124,841</u>	<u>2,661,549</u>	<u>3,786,390</u>
Noncurrent Assets:			
Capital assets, depreciable, net of accumulated depreciation and amortization	-	1,282,853	1,282,853
Total noncurrent assets	<u>-</u>	<u>1,282,853</u>	<u>1,282,853</u>
Total assets	<u>1,124,841</u>	<u>3,944,402</u>	<u>5,069,243</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable and accrued expenditures	88,611	13,545	102,156
Current accrued compensated absences	-	7,644	7,644
Current maturities of long-term debt	-	158,667	158,667
Total current liabilities	<u>88,611</u>	<u>179,856</u>	<u>268,467</u>
Noncurrent Liabilities:			
Accrued compensated absences	-	3,652	3,652
Noncurrent portion of long-term debt	-	145,444	145,444
Total noncurrent liabilities	<u>-</u>	<u>149,096</u>	<u>149,096</u>
Total liabilities	<u>88,611</u>	<u>328,952</u>	<u>417,563</u>
<b>Net Position:</b>			
Net investment in capital assets	-	1,042,726	1,042,726
Unrestricted	1,036,230	2,572,724	3,608,954
Total net position	<u>\$ 1,036,230</u>	<u>\$ 3,615,450</u>	<u>\$ 4,651,680</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>			
Insurance premiums	\$ 7,120,999	\$ -	\$ 7,120,999
User charges	-	3,934,268	3,934,268
Total operating revenues	<u>7,120,999</u>	<u>3,934,268</u>	<u>11,055,267</u>
<b>Operating Expenses:</b>			
Current:			
Insurance claims	4,889,000	-	4,889,000
Cost of service and administration	1,941,078	-	1,941,078
Communications	-	692,455	692,455
Depreciation and amortization	-	106,975	106,975
Total operating expenses	<u>6,830,078</u>	<u>799,430</u>	<u>7,629,508</u>
Operating income (loss)	<u>290,921</u>	<u>3,134,838</u>	<u>3,425,759</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment earnings	-	1,058	1,058
Gain (loss) on disposal of capital assets	-	(9,006)	(9,006)
Interest expense	-	(4,327)	(4,327)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(12,275)</u>	<u>(12,275)</u>
Net change in net position	290,921	3,122,563	3,413,484
<b>Net Position:</b>			
Beginning of year - July 1	745,309	492,887	1,238,196
End of year - June 30	<u>\$ 1,036,230</u>	<u>\$ 3,615,450</u>	<u>\$ 4,651,680</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 7,115,760	\$ 3,934,268	\$ 11,050,028
Payments to suppliers for goods and services	(6,932,159)	(521,697)	(7,453,856)
Payments to or on behalf of employees	-	(195,780)	(195,780)
Net cash provided (used) by operating activities	<u>183,601</u>	<u>3,216,791</u>	<u>3,400,392</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(869,396)	(869,396)
Interest paid	-	(4,327)	(4,327)
Principal payments on long-term debt	-	(158,667)	(158,667)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,032,390)</u>	<u>(1,032,390)</u>
<b>Cash Flows From Investing Activities:</b>			
Investment earnings	-	1,058	1,058
Net cash provided (used) by investing activities	<u>-</u>	<u>1,058</u>	<u>1,058</u>
Net increase (decrease) in cash and cash equivalents/investments	183,601	2,185,459	2,369,060
<b>Cash and Cash Equivalents/Investments:</b>			
Beginning of year, July 1	<u>821,053</u>	<u>476,090</u>	<u>1,297,143</u>
End of year, June 30	<u>\$ 1,004,654</u>	<u>\$ 2,661,549</u>	<u>\$ 3,666,203</u>
Cash and cash equivalents/investments	\$ -	\$ -	\$ -
Restricted cash and investments	<u>1,004,654</u>	<u>2,661,549</u>	<u>3,666,203</u>
	<u>\$ 1,004,654</u>	<u>\$ 2,661,549</u>	<u>\$ 3,666,203</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>			
Operating income (loss)	\$ 290,921	\$ 3,134,838	\$ 3,425,759
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and amortization	-	106,975	106,975
<b>Change in Assets and Liabilities:</b>			
(Increase) decrease in receivables and assessments	(5,239)	-	(5,239)
Increase (decrease) in accounts payable and accrued expenses	(102,081)	(25,256)	(127,337)
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>-</u>	<u>234</u>	<u>234</u>
Net cash provided (used) by operating activities	<u>\$ 183,601</u>	<u>\$ 3,216,791</u>	<u>\$ 3,400,392</u>

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

## 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, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Insurance premiums	\$ 7,150,000	\$ 7,120,999	\$ (29,001)
<b>Expenditures:</b>			
Insurance claims	7,150,000	4,889,000	2,261,000
Administrative fees	-	1,941,078	(1,941,078)
Total expenditures	<u>7,150,000</u>	<u>6,830,078</u>	<u>319,922</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 290,921</u>	<u>\$ 290,921</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

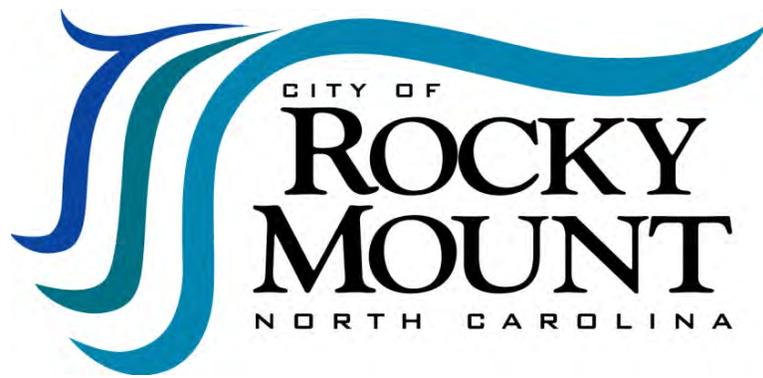
INTERNAL SERVICE FUND- COMMUNICATIONS  
SCHEDULE OF REVENUES AND EXPENDITURES  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 3,967,420	\$ 3,934,268	\$ (33,152)
Investment earnings	-	1,058	1,058
Total revenues	<u>3,967,420</u>	<u>3,935,326</u>	<u>(32,094)</u>
<b>Expenditures:</b>			
Salaries	156,995	156,965	30
Employee benefits	39,490	39,049	441
Operating expense	579,935	477,456	102,479
Capital outlay	3,356,111	888,381	2,467,730
Debt services expenditures	<u>163,000</u>	<u>162,994</u>	<u>6</u>
Total expenditures	<u>4,295,531</u>	<u>1,724,845</u>	<u>2,570,686</u>
Revenues over (under) expenditures	<u>(328,111)</u>	<u>2,210,481</u>	<u>2,538,592</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>328,111</u>	<u>-</u>	<u>328,111</u>
Total other financing sources (uses)	<u>328,111</u>	<u>-</u>	<u>328,111</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,210,481</u>	<u>\$ 2,210,481</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 2,210,481	
Depreciation		(106,975)	
Debt principal		158,667	
Capitalized capital outlay		869,396	
Gain (loss) on retirement/transfer of assets		<u>(9,006)</u>	
Change in net position		<u>\$ 3,122,563</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, 2016**

<b>Community Development and              Governmental Activities Fund:</b>	<b>Balance              July 1, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance              June 30, 2016</b>
Assets:				
Cash and cash equivalents/investments	\$ 457,396	\$ 363,790	\$ 156,515	\$ 664,671
Other receivable	247	-	247	-
Total assets	<u>\$ 457,643</u>	<u>\$ 363,790</u>	<u>\$ 156,762</u>	<u>\$ 664,671</u>
Liabilities:				
Accounts payable	\$ -	\$ 190	\$ -	\$ 190
Due to other governmental agency	457,643	363,600	156,762	664,481
Total liabilities	<u>\$ 457,643</u>	<u>\$ 363,790</u>	<u>\$ 156,762</u>	<u>\$ 664,671</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, 2016

Year	Uncollected Balance 6/30/2015	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2016
2015-2016	\$ -	\$ 24,126,630	\$ 23,394,761	\$ 731,869
2014-2015	693,263	24,561	216,526	501,297
2013-2014	537,791	22,701	111,766	448,726
2012-2013	453,398	2	66,046	387,353
2011-2012	365,347	4	39,433	325,917
2010-2011	304,597	-	30,496	274,101
2009-2010	261,185	-	21,668	239,519
2008-2009	210,747	-	9,137	201,610
2007-2008	182,181	-	4,819	177,362
2006-2007	170,912	-	4,377	166,535
2005-2006	125,056	1	64,218	60,838
2004-2005	61,552	-	44,554	16,998
2003-2004	12,128	-	12,128	-
	<u>\$ 3,378,157</u>	<u>\$ 24,173,899</u>	<u>\$ 24,019,932</u>	3,532,124
Allowance for uncollectible ad valorem taxes receivable				<u>(1,973,003)</u>
Ad valorem taxes receivable, net				<u>\$ 1,559,121</u>
<b>Reconciliation with Revenue:</b>				
Taxes				\$ 24,003,773
Penalties and interest				<u>(205,916)</u>
Total				<u>23,797,857</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				23,412,244
Prior years				<u>385,613</u>
				23,797,857
Releases and transfers from interest				95,181
Other				<u>126,894</u>
Total collections and credits				<u>\$ 24,019,932</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR YEAR ENDED JUNE 30, 2016

	<u>Property Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate:					
Real property	\$3,067,423,789	0.605	\$18,557,918	\$18,557,918	\$-
Personal property	818,706,621	0.605	4,953,176	2,754,669	2,198,507
Public service property	83,426,248	0.605	504,729	504,729	-
	<u>3,969,556,658</u>		<u>24,015,823</u>	<u>21,817,316</u>	<u>2,198,507</u>
Discoveries	539,488	0.50	2,697	2,697	-
Discoveries	656,454	0.55	3,611	3,611	-
Discoveries	2,270,880	0.58	13,171	13,171	-
Discoveries	11,091,645	0.605	67,104	67,104	-
Refunds	4,003,931	0.605	24,224	24,224	-
Total property valuation	<u>\$ 3,988,119,056</u>				
Net levy			24,126,630	21,928,123	2,198,507
Uncollected taxes at June 30, 2016			<u>731,869</u>	<u>726,990</u>	<u>4,879</u>
Current year's taxes collected			<u>\$ 23,394,761</u>	<u>\$ 21,201,134</u>	<u>\$ 2,193,628</u>
Percent of current year taxes collected			<u>96.97%</u>	<u>96.68%</u>	<u>99.78%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Transfers to Fund:</u>	<b>Transfers from Fund:</b>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>
General		\$ 500,000
Stormwater	75,000	
<b>Capital Project Funds:</b>		
Capital Development	1,437,084	
<b>Special Revenue:</b>		
Entitlement Grants	50,000	
Public Transportation	265,975	
Economic Development		
Crime/Safety Control	13,525	
Total	<u>\$ 1,841,584</u>	<u>\$ 500,000</u>

SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2016

Transfers from Fund:

Enterprise Funds

<u>Transfers to Fund:</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
General	\$ 1,700,000	\$ 2,100,000	\$ 500,000		\$ 4,800,000
Stormwater					75,000
<b>Capital Project Funds:</b>					
Capital Development					1,437,084
<b>Special Revenue:</b>					
Entitlement Grants					50,000
Public Transportation					265,975
Economic Development				10,762	10,762
Crime/Safety Control					13,525
<b>Total</b>	<u>\$ 1,700,000</u>	<u>\$ 2,100,000</u>	<u>\$ 500,000</u>	<u>\$ 10,762</u>	<u>\$ 6,652,346</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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Governmental Fund Capital Assets:</b>		
Land and land improvements	\$ 27,403,175	\$ 28,346,923
Buildings	60,975,951	59,121,856
Equipment	49,470,223	48,383,246
Infrastructure	56,596,426	54,463,033
Construction in progress	<u>1,532,120</u>	<u>252,354</u>
Total governmental funds capital assets	<u>\$ 195,977,895</u>	<u>\$ 190,567,412</u>
 <b>Investment in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 191,129,798	\$ 185,644,867
Special revenue funds	<u>4,848,097</u>	<u>4,922,545</u>
Total governmental funds capital assets	<u>\$ 195,977,895</u>	<u>\$ 190,567,412</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2016**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
<b>General Government:</b>			
Mayor and Council	\$ 2,366,797	\$ -	\$ 7,169
City Clerk	2,321,716	142,691	38,104
City Manager	128,775	17,238	246,514
Finance	-	101,401	3,337,579
Central services	1,024,614	24,044,986	4,464,406
Human resources	-	5,229	12,997
Total general government	<u>5,841,902</u>	<u>24,311,545</u>	<u>8,106,769</u>
Transit	<u>-</u>	<u>97,128</u>	<u>4,750,968</u>
<b>Public Safety:</b>			
Police	51,590	512,885	5,521,180
Fire	<u>59,349</u>	<u>5,737,982</u>	<u>9,217,220</u>
Total public safety	<u>110,939</u>	<u>6,250,867</u>	<u>14,738,400</u>
Public works	<u>732,573</u>	<u>4,612,174</u>	<u>13,670,126</u>
Engineering	<u>1,346,470</u>	<u>173,206</u>	<u>977,774</u>
Parks and recreation	<u>19,363,591</u>	<u>25,432,835</u>	<u>5,517,511</u>
Internal Service Fund - Communications	<u>7,700</u>	<u>98,196</u>	<u>1,708,675</u>
Total general capital assets	<u>\$ 27,403,175</u>	<u>\$ 60,975,951</u>	<u>\$ 49,470,223</u>

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

**Schedule J-2**

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,373,966
-	-	2,502,511
-	617,550	1,010,077
-	135,054	3,574,034
762,487	-	30,296,493
-	-	18,226
<u>762,487</u>	<u>752,604</u>	<u>39,775,307</u>
-	-	4,848,096
59,863	-	6,145,518
-	-	15,014,551
<u>59,863</u>	-	<u>21,160,069</u>
<u>54,555,727</u>	<u>82,877</u>	<u>73,653,477</u>
-	-	2,497,450
<u>1,106,425</u>	<u>31,697</u>	<u>51,452,059</u>
<u>111,924</u>	<u>664,942</u>	<u>2,591,437</u>
<u>\$ 56,596,426</u>	<u>\$ 1,532,120</u>	<u>\$ 195,977,895</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, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>General Government:</b>				
Mayor and Council	\$ 2,378,957	-	4,991	\$ 2,373,966
City Clerk	2,143,983	396,949	38,421	2,502,511
City Manager	134,839	955,121	79,883	1,010,077
Finance	3,688,229	330,867	445,062	3,574,034
Central services	29,508,512	1,217,079	429,098	30,296,493
Human resources	35,484	-	17,258	18,226
Total general government	<u>\$ 37,890,004</u>	<u>2,900,016</u>	<u>1,014,713</u>	<u>\$ 39,775,307</u>
Transit	<u>\$ 4,922,545</u>	<u>365,654</u>	<u>440,103</u>	<u>\$ 4,848,096</u>
<b>Public Safety:</b>				
Police	\$ 6,544,414	887,238	1,286,134	\$ 6,145,518
Fire	<u>14,388,604</u>	<u>975,797</u>	<u>349,850</u>	<u>15,014,551</u>
Total public safety	<u>\$ 20,933,018</u>	<u>1,863,035</u>	<u>1,635,984</u>	<u>\$ 21,160,069</u>
Public works	<u>\$ 71,476,403</u>	<u>4,171,208</u>	<u>1,994,134</u>	<u>\$ 73,653,477</u>
Engineering	<u>\$ 3,272,960</u>	<u>196,472</u>	<u>971,982</u>	<u>\$ 2,497,450</u>
Parks and recreation	<u>\$ 50,188,601</u>	<u>1,973,264</u>	<u>709,806</u>	<u>\$ 51,452,059</u>
Internal Service Fund-Communications	<u>\$ 1,883,881</u>	<u>869,397</u>	<u>161,841</u>	<u>\$ 2,591,437</u>
Total general fixed assets	<u>\$ 190,567,412</u>	<u>\$ 12,339,046</u>	<u>\$ 6,928,563</u>	<u>\$ 195,977,895</u>

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

## **STATISTICAL SECTION (Unaudited)**

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

### **Content**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292
Restricted	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921
Unrestricted	24,105,474	26,804,792	20,930,383	17,374,814	11,714,287
Total governmental activities net position	<u>\$ 107,684,247</u>	<u>\$ 111,347,407</u>	<u>\$ 109,913,653</u>	<u>\$ 107,125,917</u>	<u>\$ 111,502,500</u>
Business-type activities					
Net investment in capital assets	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316
Restricted	-	-	-	-	-
Unrestricted	22,720,072	27,990,145	28,525,650	34,419,807	36,869,650
Total business-type activities net position	<u>\$ 130,484,391</u>	<u>\$ 137,722,575</u>	<u>\$ 143,575,396</u>	<u>\$ 154,593,525</u>	<u>\$ 160,563,966</u>
Primary government					
Net investment in capital assets	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608
Restricted	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921
Unrestricted	46,825,546	54,794,937	49,456,033	51,794,621	48,583,937
Total primary government net position	<u>\$ 238,168,638</u>	<u>\$ 249,069,982</u>	<u>\$ 253,489,049</u>	<u>\$ 261,719,442</u>	<u>\$ 272,066,466</u>
City of Rocky Mount Theatre, LLC					
Net investment in capital assets	\$ 1,122,029	\$ 898,194	\$ 672,079	\$ 441,663	\$ 258,691
Restricted	172,397	139,451	106,414	73,468	40,522
Unrestricted	100	100	100	100	(47,344)
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ 1,294,526</u>	<u>\$ 1,037,745</u>	<u>\$ 778,593</u>	<u>\$ 515,231</u>	<u>\$ 251,869</u>

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**

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 94,306,305	\$ 93,284,378	\$ 101,937,388	\$ 96,137,124	\$ 99,725,082
Restricted	17,202,949	14,204,158	11,415,537	11,808,330	11,099,682
Unrestricted	4,972,591	11,002,491	14,645,780	14,213,439	17,989,713
Total governmental activities net position	<u>\$ 116,481,845</u>	<u>\$ 118,491,027</u>	<u>\$ 127,998,705</u>	<u>\$ 122,158,893</u>	<u>\$ 128,814,477</u>
Business-type activities					
Net investment in capital assets	\$ 127,857,818	\$ 129,112,028	\$ 131,834,630	\$ 132,597,894	\$ 134,594,908
Restricted	-	-	-	-	-
Unrestricted	35,229,343	40,230,619	45,598,769	51,243,421	60,342,541
Total business-type activities net position	<u>\$ 163,087,161</u>	<u>\$ 169,342,647</u>	<u>\$ 177,433,399</u>	<u>\$ 183,841,315</u>	<u>\$ 194,937,449</u>
Primary government					
Net investment in capital assets	\$ 222,164,123	\$ 222,396,406	\$ 233,772,018	\$ 228,735,018	\$ 234,319,990
Restricted	17,202,949	14,204,158	11,415,537	11,808,330	11,099,682
Unrestricted	40,201,934	51,233,110	60,244,549	65,456,860	78,332,254
Total primary government net position	<u>\$ 279,569,006</u>	<u>\$ 287,833,674</u>	<u>\$ 305,432,104</u>	<u>\$ 306,000,208</u>	<u>\$ 323,751,926</u>
City of Rocky Mount Theatre, LLC					
Net investment in capital assets	\$ 48,101	\$ 6,336,511	\$ -	\$ -	\$ -
Restricted	7,576	-	-	-	-
Unrestricted	(67,170)	(137,067)	-	-	-
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ (11,493)</u>	<u>\$ 6,199,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET POSITION**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,828,638	\$ 6,637,786	\$ 6,710,733	\$ 7,092,390	\$ 5,865,807
Public safety	20,528,191	21,873,680	23,102,694	24,944,618	25,816,170
Public Works	8,105,415	8,722,496	8,858,447	8,996,638	7,197,559
Engineering	984,492	1,139,983	941,982	658,083	186,997
Parks and recreation	8,241,393	7,844,487	8,148,677	8,799,437	9,117,886
Public Service	4,944,155	5,629,301	6,349,205	11,884,227	9,368,808
Emergency management	-	-	-	-	-
Economic development	-	-	-	-	-
Community revitalization	1,823,575	1,948,078	2,800,689	3,585,679	4,422,615
Interest on Long-term debt	460,662	487,768	488,393	444,084	292,268
<b>Total governmental activities expenses</b>	<b>50,916,521</b>	<b>54,283,578</b>	<b>57,400,820</b>	<b>66,405,156</b>	<b>62,268,110</b>
Business-type activities:					
Electric	78,320,332	78,733,182	87,251,619	90,363,924	92,056,649
Gas	27,016,418	25,544,219	25,635,724	21,822,518	22,445,683
Water	8,817,067	8,715,519	9,793,758	9,005,997	9,191,247
Sewer	9,658,399	9,367,159	10,035,368	10,783,556	10,884,607
Storm Water Management	2,748,537	2,911,282	2,869,969	2,939,442	3,078,951
<b>Total business-type activities expenses</b>	<b>126,560,753</b>	<b>125,271,361</b>	<b>135,586,437</b>	<b>134,915,437</b>	<b>137,657,137</b>
<b>Total primary government expenses</b>	<b>\$ 177,477,274</b>	<b>\$ 179,554,939</b>	<b>\$ 192,987,257</b>	<b>\$ 201,320,593</b>	<b>\$ 199,925,247</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	3,221,954	2,319,466	1,678,291	1,799,924	1,834,638
Public Safety	578,729	404,249	334,178	321,163	311,960
Public Works	5,781,811	6,027,232	5,994,818	5,981,055	6,083,367
Recreation	1,125,845	924,160	1,057,313	1,126,057	1,199,165
Public Service	1,500,327	1,598,478	1,577,139	1,984,204	2,189,132
Other activities	52,786	14,692	9,934	14,131	12,018
Operating grants and contributions	7,373,708	5,751,657	6,435,865	8,013,552	8,382,242
Capital grants and contributions	1,448,987	2,813,051	1,313,359	4,796,852	5,038,384
<b>Total governmental activities program revenues</b>	<b>21,084,147</b>	<b>19,852,985</b>	<b>18,400,897</b>	<b>24,036,938</b>	<b>25,050,906</b>
Business-type activities:					
Charges for services:					
Electric	83,074,744	83,286,304	90,529,005	94,204,551	96,022,707
Gas	29,526,454	28,547,960	29,689,679	25,025,210	24,079,519
Water	9,512,039	9,294,113	9,271,691	11,257,530	11,716,075
Sewer	10,601,619	10,245,779	10,641,539	11,924,944	11,817,647
Storm Water Management	2,666,750	2,691,342	2,918,743	2,933,755	3,352,106
Operating grants and contributions	-	-	-	6,102	2,500
Capital grants and contributions	-	-	105,536	2,651,892	725,186
<b>Total business-type activities program revenues</b>	<b>135,381,606</b>	<b>134,065,498</b>	<b>143,156,193</b>	<b>148,003,984</b>	<b>147,715,740</b>
<b>Total primary government program revenues</b>	<b>\$ 156,465,753</b>	<b>\$ 153,918,483</b>	<b>\$ 161,557,090</b>	<b>\$ 172,040,922</b>	<b>\$ 172,766,646</b>
Net (expense)/revenue					
Governmental activities	\$ (29,832,374)	\$ (34,430,593)	\$ (38,999,923)	\$ (42,368,218)	\$ (37,217,204)
Business-type activities	8,820,853	8,794,137	7,569,756	13,088,547	10,058,603
<b>Total primary government net expense</b>	<b>\$ (21,011,521)</b>	<b>\$ (25,636,456)</b>	<b>\$ (31,430,167)</b>	<b>\$ (29,279,671)</b>	<b>\$ (27,158,601)</b>
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	\$ (265,087)	\$ (263,362)	(280,562)	(268,927)	(268,936)
Investment earnings	1,557	-	-	-	-
Operating grants and contributions	784,909	6,581	21,410	5,565	5,574
<b>Total City of Rocky Mount Theatre, LLC</b>	<b>\$ 521,379</b>	<b>\$ (256,781)</b>	<b>\$ (259,152)</b>	<b>\$ (263,362)</b>	<b>\$ (263,362)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Ad valorem taxes	\$ 17,658,024	\$ 18,188,521	19,499,709	21,558,895	21,528,800
Local option taxes	8,269,778	10,092,744	9,436,526	8,916,046	8,961,679
Other taxes	3,475,190	3,383,805	3,749,239	3,844,700	3,855,023
Investment earnings	1,554,069	980,278	436,902	122,011	86,433
Miscellaneous	460,298	2,618,315	1,793,793	2,335,138	2,601,852
Transfers	2,212,445	2,830,090	2,650,000	2,803,692	4,560,000
<b>Total governmental activities</b>	<b>33,629,804</b>	<b>38,093,753</b>	<b>37,566,169</b>	<b>39,580,482</b>	<b>41,593,787</b>
Business-type activities					
Investment earnings	1,244,435	1,274,137	933,065	733,274	471,838
Transfers	(2,212,445)	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)
<b>Total business-type activities</b>	<b>(968,010)</b>	<b>(1,555,953)</b>	<b>(1,716,935)</b>	<b>(2,070,418)</b>	<b>(4,088,162)</b>
<b>Total primary government</b>	<b>\$ 32,661,794</b>	<b>\$ 36,537,800</b>	<b>\$ 35,849,234</b>	<b>\$ 37,510,064</b>	<b>\$ 37,505,625</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 3,797,430	\$ 3,663,160	\$ (1,433,754)	\$ (2,787,736)	\$ 4,376,583
Business-type activities	7,852,843	7,238,184	5,852,821	11,018,129	5,970,441
<b>Total primary government</b>	<b>\$ 11,650,273</b>	<b>\$ 10,901,344</b>	<b>\$ 4,419,067</b>	<b>\$ 8,230,393</b>	<b>\$ 10,347,024</b>
Total City of Rocky Mount Theatre, LLC	\$ 521,379	(256,781)	(259,152)	(263,362)	(263,362)

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.

Effective 9/1/15, the electric rates reflected an overall reduction due to the sale of the NCEMPA generation assets to Duke Energy Progress

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET POSITION**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,541,551	\$ 6,880,948	\$ 9,044,265	\$ 4,615,284	\$ 5,737,117
Public safety	25,859,954	24,923,980	25,449,659	25,597,650	26,975,314
Public Works	9,825,999	8,109,154	9,453,179	10,706,055	8,077,219
Engineering	811,304	915,057	814,945	583,199	932,529
Parks and recreation	9,487,899	9,747,554	1,587,287	8,938,049	9,977,191
Public Service	10,161,005	7,798,940	5,951,988	5,997,352	8,562,021
Emergency management	5,418,215	-	-	-	-
Economic development	-	-	18,735	136,816	31,056
Community revitalization	2,170,571	2,212,833	860,152	699,439	1,884,490
Interest on Long-term debt	492,656	431,995	621,151	448,397	444,951
<b>Total governmental activities expenses</b>	<b>66,769,154</b>	<b>61,020,461</b>	<b>53,801,361</b>	<b>57,722,241</b>	<b>62,621,888</b>
Business-type activities:					
Electric	88,705,142	88,899,652	89,711,665	87,658,326	69,017,466
Gas	18,345,011	19,418,313	21,752,958	21,526,874	20,071,951
Water	9,328,711	8,827,886	7,709,102	10,170,488	10,065,328
Sewer	11,091,914	11,157,497	13,223,459	13,050,143	12,673,511
Storm Water Management	3,352,683	3,243,887	3,618,378	3,342,760	3,348,865
<b>Total business-type activities expenses</b>	<b>130,823,461</b>	<b>131,547,235</b>	<b>136,015,562</b>	<b>135,748,591</b>	<b>115,177,121</b>
<b>Total primary government expenses</b>	<b>\$ 197,592,615</b>	<b>\$ 192,567,696</b>	<b>\$ 189,816,923</b>	<b>\$ 193,470,832</b>	<b>\$ 177,799,009</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	2,117,227	2,229,303	1,941,273	1,775,761	4,832,656
Public Safety	295,173	341,203	265,988	353,021	327,997
Public Works	6,820,948	6,485,381	6,851,520	6,615,262	6,690,067
Recreation	1,197,659	1,254,131	1,389,363	1,321,850	1,360,969
Public Service	2,001,241	2,023,260	1,985,842	2,022,601	2,014,616
Other activities	43,794	31,051	15,959	11,956	34,578
Operating grants and contributions	12,126,643	6,759,477	7,407,188	5,373,671	6,766,148
Capital grants and contributions	5,408,019	2,209,611	1,015,333	762,051	718,009
<b>Total governmental activities program revenues</b>	<b>30,010,704</b>	<b>21,333,417</b>	<b>20,872,466</b>	<b>18,236,173</b>	<b>22,745,040</b>
Business-type activities:					
Charges for services:					
Electric	89,632,663	91,591,100	93,835,654	93,130,224	81,661,205
Gas	19,574,918	23,315,073	26,655,662	27,193,682	20,390,319
Water	10,385,580	10,349,229	10,991,423	10,953,543	11,348,246
Sewer	11,768,570	11,772,500	11,957,654	12,063,032	12,848,730
Storm Water Management	3,603,852	3,418,192	3,505,458	4,096,545	4,068,312
Operating grants and contributions	2,916	-	-	-	-
Capital grants and contributions	1,225,693	70,927	29,000	-	-
<b>Total business-type activities program revenues</b>	<b>136,194,192</b>	<b>140,517,021</b>	<b>146,974,851</b>	<b>147,437,026</b>	<b>130,316,812</b>
<b>Total primary government program revenues</b>	<b>\$ 166,204,896</b>	<b>\$ 161,850,438</b>	<b>\$ 167,847,317</b>	<b>\$ 165,673,199</b>	<b>\$ 153,061,852</b>
Net (expense)/revenue					
Governmental activities	\$ (36,758,450)	\$ (39,687,044)	\$ (32,928,895)	\$ (39,486,068)	\$ (39,876,848)
Business-type activities	5,370,731	8,969,786	10,959,289	11,688,435	15,139,691
<b>Total primary government net expense</b>	<b>\$ (31,387,719)</b>	<b>\$ (30,717,258)</b>	<b>\$ (21,969,606)</b>	<b>\$ (27,797,633)</b>	<b>\$ (24,737,157)</b>
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	(268,946)	(241,435)	(8,143,974)	-	-
Investment earnings	-	-	-	-	-
Operating grants and contributions	5,584	6,504,000	1,944,530	-	-
<b>Total City of Rocky Mount Theatre, LLC</b>	<b>\$ (263,362)</b>	<b>\$ 6,262,565</b>	<b>\$ (6,199,444)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Ad valorem taxes	21,778,008	22,965,276	23,435,908	23,283,987	24,034,407
Local option taxes	9,371,996	9,158,432	9,271,192	9,979,384	10,455,857
Other taxes	3,819,472	3,759,181	3,672,642	4,257,262	4,752,948
Investment earnings	70,341	129,915	65,120	63,732	106,992
Miscellaneous	3,631,978	2,104,003	3,024,711	5,028,768	2,946,466
Transfers	3,066,000	3,579,419	2,967,000	3,660,250	4,235,762
<b>Total governmental activities</b>	<b>41,737,795</b>	<b>41,696,226</b>	<b>42,436,573</b>	<b>46,273,383</b>	<b>46,532,432</b>
Business-type activities					
Investment earnings	218,464	865,119	98,463	92,516	192,205
Transfers	(3,066,000)	(3,579,419)	(2,967,000)	(3,660,250)	(4,235,762)
<b>Total business-type activities</b>	<b>(2,847,536)</b>	<b>(2,714,300)</b>	<b>(2,868,537)</b>	<b>(3,567,734)</b>	<b>(4,043,557)</b>
<b>Total primary government</b>	<b>\$ 38,890,259</b>	<b>\$ 38,981,926</b>	<b>\$ 39,568,036</b>	<b>\$ 42,705,649</b>	<b>\$ 42,488,875</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 4,979,345	\$ 2,009,182	\$ 9,507,678	\$ 6,787,315	\$ 6,655,584
Business-type activities	2,523,195	6,255,486	8,090,752	8,120,701	11,096,134
<b>Total primary government</b>	<b>\$ 7,502,540</b>	<b>\$ 8,264,668</b>	<b>\$ 17,598,430</b>	<b>\$ 14,908,016</b>	<b>\$ 17,751,718</b>
Total City of Rocky Mount Theatre, LLC	\$ (263,362)	\$ 6,262,565	\$ (6,199,444)	\$ -	\$ -

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**modified accrual basis of accounting**

	<b>Fiscal Year</b>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Fund</b>					
Reserved	\$ 11,340,732	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	\$ -
Unreserved	11,390,174	15,165,835	13,750,586	11,765,250	-
Nonspendable	-	-	-	-	355,546
Restricted	-	-	-	-	8,455,455
Assigned	-	-	-	-	1,433,525
Unassigned	-	-	-	-	8,700,100
Total General Fund	<u>\$ 22,730,906</u>	<u>\$ 26,297,834</u>	<u>\$ 23,868,667</u>	<u>\$ 22,164,051</u>	<u>\$ 18,944,626</u>
<b>All other governmental funds</b>					
Reserved	\$ 1,564,285	\$ 730,296	\$ 393,710	\$ 63,546	\$ -
Unreserved, reported in:					
Special revenue funds	1,842,385	1,336,395	1,836,760	2,310,853	-
Capital projects funds	488,298	947,958	2,616,371	1,677,341	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	100,000
Capital projects funds	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	-	-	-	-	1,809,993
Capital projects funds	-	-	-	-	876,388
Committed, reported in:					
Special revenue funds	-	-	-	-	776,078
Capital projects funds	-	-	-	-	2,773,711
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	790,196
Unassigned, reported in:					
Special revenue funds	-	-	-	-	(124,272)
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,894,968</u>	<u>\$ 3,014,649</u>	<u>\$ 4,846,841</u>	<u>\$ 4,051,740</u>	<u>\$ 7,002,094</u>
Total governmental funds	<u>\$ 26,625,874</u>	<u>\$ 29,312,483</u>	<u>\$ 28,715,508</u>	<u>\$ 26,215,791</u>	<u>\$ 25,946,720</u>

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**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**modified accrual basis of accounting**

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	383,732	404,514	490,108	433,469	405,755
Restricted	12,485,342	11,306,879	11,284,591	11,214,768	11,354,780
Assigned	963,473	2,429,395	2,700,083	1,355,673	1,786,573
Unassigned	6,987,165	9,928,645	12,321,582	13,640,541	13,739,204
Total General Fund	<u>\$ 20,819,712</u>	<u>\$ 24,069,433</u>	<u>\$ 26,796,364</u>	<u>\$ 26,644,451</u>	<u>\$ 27,286,312</u>
<b>All other governmental funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable, reported in:					
Special revenue funds	128,890	99,000	99,000	99,000	260,000
Capital projects funds	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	3,142,689	1,908,066	1,592,589	1,259,277	1,438,274
Capital projects funds	2,868,236	989,213	1,127,925	2,204,394	792,144
Committed, reported in:					
Special revenue funds	767,850	923,526	430,111	574,086	285,493
Capital projects funds	-	249,515	266,215	207,522	383,770
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	841,164	911,610	541,010	881,740	-
Unassigned, reported in:					
Special revenue funds	(1,726,390)	(459,160)	(75,353)	(135,664)	(181,120)
Capital projects funds	(1,485,179)	-	-	-	(100,445)
Total all other governmental funds	<u>\$ 4,537,260</u>	<u>\$ 4,621,770</u>	<u>\$ 3,981,497</u>	<u>\$ 5,090,355</u>	<u>\$ 2,878,116</u>
<b>Total governmental funds</b>	<u>\$ 25,356,972</u>	<u>\$ 28,691,203</u>	<u>\$ 30,777,861</u>	<u>\$ 31,734,806</u>	<u>\$ 30,164,428</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>				
	<u><b>2007</b></u>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>
<b>Revenues</b>					
Ad valorem taxes	\$ 17,557,400	\$ 17,911,751	\$ 19,410,649	\$ 21,415,865	\$ 21,337,096
Intergovernmental revenues	21,627,094	22,735,263	22,209,500	23,808,794	25,081,411
Licenses and permits	1,093,244	1,065,569	950,558	948,416	883,621
Sales and services	7,440,276	7,088,107	7,442,379	7,680,531	7,777,765
Investment earnings	1,137,780	980,278	436,902	122,011	86,433
Contributions	-	-	-	-	-
Project revenue	2,248,049	2,240,943	2,369,044	2,703,369	3,346,505
Miscellaneous	1,167,288	1,839,066	1,311,417	4,081,824	3,355,682
<b>Total revenues</b>	<u>52,271,131</u>	<u>53,860,977</u>	<u>54,130,449</u>	<u>60,760,810</u>	<u>61,868,513</u>
<b>Expenditures</b>					
Current:					
General government	4,962,300	5,443,209	5,752,575	6,156,042	5,856,442
Public safety	19,847,153	21,299,722	22,687,684	24,825,635	25,204,655
Public service	4,907,501	3,801,544	4,801,568	5,186,371	8,142,128
Public works	8,687,750	8,749,217	10,339,464	9,127,316	10,684,706
Engineering	983,545	1,139,983	1,176,520	983,839	974,241
Parks and recreation	6,986,768	6,834,700	7,160,670	7,634,255	7,939,785
Economic development	-	-	-	-	-
Community revitalization	1,823,575	1,948,078	2,645,895	3,573,194	4,422,615
Emergency management	-	-	-	-	-
Capital projects:					
General government	117,391	25,000	252,543	56,045	801,837
Public safety	875,842	99,006	856,699	558,465	1,099,129
Parks and recreation	1,044,288	1,907,827	861,726	675,657	274,414
Public service	36,654	1,644,876	1,346,759	6,418,173	1,478,933
Community revitalization	-	-	154,794	12,485	-
Debt service:					
Principal	2,690,399	2,247,878	2,979,134	3,202,319	2,980,771
Interest	460,662	487,768	488,393	444,084	292,268
<b>Total expenditures</b>	<u>\$ 53,423,828</u>	<u>\$ 55,628,808</u>	<u>\$ 61,504,424</u>	<u>\$ 68,853,880</u>	<u>\$ 70,151,924</u>
<b>Excess of revenues over (under) expenditures</b>	(1,152,697)	(1,767,831)	(7,373,975)	(8,093,070)	(8,283,411)
<b>Other financing sources (uses)</b>					
Transfers in	\$ 4,071,907	\$ 6,233,811	4,863,050	4,132,894	7,157,151
Transfers out	(1,859,462)	(3,365,371)	(2,213,050)	(1,329,202)	(1,849,151)
Debt financing	-	-	1,305,000	1,084,661	410,339
Proceeds from installment purchase agreement	1,032,000	1,586,000	2,822,000	1,705,000	2,296,000
<b>Total other financing sources (uses)</b>	<u>3,244,445</u>	<u>4,454,440</u>	<u>6,777,000</u>	<u>5,593,353</u>	<u>8,014,339</u>
<b>Net change in fund balance</b>	<u>\$ 2,091,748</u>	<u>\$ 2,686,609</u>	<u>\$ (596,975)</u>	<u>\$ (2,499,717)</u>	<u>\$ (269,072)</u>
<b>Total debt service</b>	<u>\$ 3,151,061</u>	<u>\$ 2,735,646</u>	<u>\$ 3,467,527</u>	<u>\$ 3,646,403</u>	<u>\$ 3,273,039</u>
Total expenditures	53,423,828	55,628,808	61,504,424	68,853,880	70,151,924
Capital outlay primary government only	5,283,290	4,528,713	6,945,548	5,588,437	10,401,869
<b>Non-capital expenditures</b>	<u>\$ 48,140,538</u>	<u>\$ 51,100,095</u>	<u>\$ 54,558,876</u>	<u>\$ 63,265,443</u>	<u>\$ 59,750,055</u>
<b>Debt service as a percentage of non-capital expenditures</b>	6.55%	5.35%	6.36%	5.76%	5.48%

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>					
Ad valorem taxes	\$ 21,939,984	\$ 22,850,485	\$ 23,821,093	\$ 23,496,912	\$ 24,081,429
Intergovernmental revenues	27,109,946	22,933,029	21,373,550	22,431,424	24,634,137
Licenses and permits	921,813	869,535	845,949	891,336	858,853
Sales and services	8,487,008	8,280,868	8,606,993	8,303,246	8,815,725
Investment earnings	70,342	129,916	65,120	63,733	106,991
Contributions	-	-	-	-	20,000
Project revenue	7,571,153	2,905,465	4,156,053	2,026,322	2,246,491
Miscellaneous	1,199,455	1,320,634	1,268,572	965,243	1,126,983
<b>Total revenues</b>	<u>67,299,701</u>	<u>59,289,932</u>	<u>60,137,330</u>	<u>58,178,216</u>	<u>61,890,609</u>
<b>Expenditures</b>					
Current:					
General government	5,107,954	5,174,420	4,672,485	4,809,567	5,437,814
Public safety	25,460,672	24,714,800	25,717,824	26,351,478	27,970,036
Public service	5,328,963	4,942,980	5,746,295	5,277,826	7,149,186
Public works	10,459,006	8,854,187	9,404,184	11,056,678	9,740,887
Engineering	970,091	972,760	986,374	999,738	1,011,477
Parks and recreation	8,328,491	8,664,907	7,890,472	8,771,419	8,507,568
Economic development	-	-	18,735	136,816	31,056
Community revitalization	2,170,571	2,212,833	860,152	699,439	1,884,490
Emergency management	5,418,215	-	-	-	-
Capital projects:					
General government	711,148	832,314	2,328,864	97,114	826,855
Public safety	43,487	32,995	374,769	69,883	95,483
Parks and recreation	134,851	9,236,765	212,243	821,261	1,642,385
Public service	4,781,240	2,503,521	108,768	485,370	1,261,081
Community revitalization	-	-	-	-	-
Debt service:					
Principal	2,803,104	3,208,643	4,030,356	3,863,984	3,870,807
Interest	492,656	431,995	621,151	447,948	440,624
<b>Total expenditures</b>	<u>\$ 72,210,449</u>	<u>\$ 71,783,120</u>	<u>\$ 62,972,672</u>	<u>\$ 63,888,521</u>	<u>\$ 69,869,749</u>
<b>Excess of revenues over (under) expenditures</b>	(4,910,748)	(12,493,188)	(2,835,342)	(5,710,305)	(7,979,140)
<b>Other financing sources (uses)</b>					
Transfers in	4,827,886	5,542,550	4,064,942	5,105,019	6,577,346
Transfers out	(1,761,886)	(1,963,131)	(1,097,942)	(1,444,769)	(2,341,584)
Debt Financing	-	-	-	-	-
Proceeds from installment purchase agreement	1,255,000	12,248,000	1,955,000	3,007,000	2,173,000
<b>Total other financing sources (uses)</b>	<u>4,321,000</u>	<u>15,827,419</u>	<u>4,922,000</u>	<u>6,667,250</u>	<u>6,408,762</u>
<b>Net change in fund balance</b>	<u>\$ (589,748)</u>	<u>\$ 3,334,231</u>	<u>\$ 2,086,658</u>	<u>\$ 956,945</u>	<u>\$ (1,570,378)</u>
<b>Total debt service</b>	<u>\$ 3,295,760</u>	<u>\$ 3,640,638</u>	<u>\$ 4,651,507</u>	<u>\$ 4,311,932</u>	<u>\$ 4,311,431</u>
Total expenditures	72,210,449	71,783,120	62,972,672	63,888,521	69,869,749
Capital outlay primary government only	8,523,259	12,937,662	13,621,602	7,094,717	10,420,735
<b>Non-capital expenditures</b>	<u>\$ 63,687,190</u>	<u>\$ 58,845,458</u>	<u>\$ 49,351,070</u>	<u>\$ 56,793,804</u>	<u>\$ 59,449,014</u>
<b>Debt service as a percentage of non-capital expenditures</b>	5.17%	6.19%	9.43%	7.59%	7.25%

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Service</b>	<b>Public Works and Engineering</b>	<b>Parks &amp; Recreation</b>
2007	5,079,691	20,722,995	4,944,155	9,671,295	8,031,056
2008	5,468,209	21,398,728	5,446,420	9,889,200	8,742,527
2009	6,005,118	23,544,383	6,148,327	11,515,984	8,022,396
2010	6,212,087	25,384,100	11,604,544	10,111,155	8,309,912
2011	6,658,279	26,303,784	9,621,061	11,658,947	8,214,199
2012	5,819,102	25,504,159	10,110,203	11,429,097	8,463,342
2013	6,006,734	24,747,795	7,446,501	9,826,947	17,901,672
2014	7,001,349	26,092,593	5,855,063	10,390,558	8,102,715
2015	4,906,681	26,421,361	5,763,196	12,056,416	9,592,680
2016	6,264,669	28,065,519	8,410,267	10,752,364	10,149,953

<b>Fiscal Year</b>	<b>Emergency Management Hazard Mitigation</b>	<b>Community Revitalization</b>	<b>Economic Development</b>	<b>Debt Service</b>	<b>Total Expenditures</b>
2007	-	1,823,575	-	3,151,061	53,423,828
2008	-	1,948,078	-	2,735,646	55,628,808
2009	-	2,800,689	-	3,467,527	61,504,424
2010	-	3,585,679	-	3,646,403	68,853,880
2011	-	4,422,615	-	3,273,039	70,151,924
2012	5,418,215	2,170,571	-	3,295,760	72,210,449
2013	-	2,212,833	-	3,640,638	71,783,120
2014	-	860,152	18,735	4,651,507	62,972,672
2015	-	699,439	136,816	4,311,932	63,888,521
2016	-	1,884,490	31,056	4,311,431	69,869,749

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**

<b>Fiscal Year</b>	<b>Ad Valorem Taxes</b>	<b>Local Option Sales Tax</b>	<b>Franchise Tax</b>	<b>Tele-Communications Tax</b>	<b>Beer &amp; Wine Tax</b>	<b>Licenses Permits &amp; Other Taxes</b>	<b>Total Tax Revenues</b>
2007	17,489,699	9,114,179	2,139,942	892,825	254,360	1,093,244	30,984,249
2008	17,851,029	9,466,144	2,415,663	836,645	259,635	1,065,569	31,894,685
2009	19,350,631	8,809,926	2,653,519	942,964	264,527	950,558	32,021,566
2010	21,344,953	8,543,046	2,932,552	912,148	84,474	948,416	34,765,589
2011	21,262,639	8,866,679	3,019,976	835,047	265,409	883,621	35,133,371
2012	21,863,586	9,295,496	2,945,703	873,769	249,920	921,813	36,150,286
2013	22,776,770	8,974,432	2,931,777	827,404	231,246	869,535	36,611,164
2014	23,755,532	9,271,192	2,918,783	753,859	247,804	845,949	37,793,119
2015	23,415,767	9,929,384	3,549,282	707,980	268,678	891,336	38,762,427
2016	24,003,773	10,390,857	4,133,398	619,550	246,175	858,853	40,252,606

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Tele-communication Tax</u>	<u>Inter-Governmental Revenue</u>	<u>Licenses &amp; Permits</u>	<u>Sales and Services</u>	<u>Project Revenue</u>	<u>Investment Earnings</u>	<u>Other Revenue</u>	<u>Total Revenues</u>
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	60,137,331
2015	23,496,912	707,980	21,723,444	891,336	8,303,246	2,026,322	63,733	965,243	58,178,216
2016	24,081,429	619,550	24,014,587	858,853	8,815,725	2,246,491	106,991	1,146,983	61,890,609

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Fiscal Year	Real Property				Personal Property	
	Residential Property		Commercial Property		Nash	Edgecombe
	Nash	Edgecombe	Nash	Edgecombe		
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	638,241,681	73,577,842
2010 (4&5)	1,466,556,229	409,793,603	1,106,349,436	96,124,426	640,883,468	73,864,477
2011	1,469,281,707	419,703,338	1,108,405,499	85,963,334	634,273,081	70,699,771
2012	1,467,562,469	467,531,300	1,107,108,530	40,654,896	634,311,603	74,423,775
2013	1,748,210,984	469,278,513	822,687,522	35,322,039	655,987,042	81,920,766
2014	1,607,339,569	469,763,599	964,403,741	35,358,550	734,489,531	115,903,296
2015	1,619,968,919	471,493,161	951,410,318	35,488,733	687,277,074	163,609,353
2016	1,615,745,248	469,421,346	948,929,749	35,332,789	683,952,105	151,311,571

Fiscal Year	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				
2007	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%
2008	36,836,521	38,935,022	3,232,396,714	0.55	3,795,146,495	85.17%
2009 (4)	34,582,543	38,951,598	3,307,759,196	0.58	3,392,345,413	97.51%
2010 (4&5)	39,404,429	46,781,653	3,879,757,721	0.55	3,925,781,032	98.83%
2011	40,818,345	46,879,116	3,876,024,191	0.55	3,978,527,748	97.42%
2012	43,700,708	46,023,256	3,881,316,537	0.55	3,884,134,999	99.93%
2013	43,647,676	45,743,335	3,902,797,877	0.58	3,873,547,007	100.76%
2014	42,301,359	38,394,016	4,007,953,661	0.58	3,972,326,494	100.90%
2015	46,020,988	35,272,383	4,010,540,929	0.58	3,950,569,476	101.52%
2016	50,550,431	32,875,817	3,988,119,056	0.605	3,931,828,062	101.43%

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)**

<b>City of Rocky Mount</b>				<b>Overlapping Rates Edgecombe County</b>			<b>Total Direct and Overlapping Rates (Edgecombe County)</b>
<b>Fiscal Year</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Operating Millage</b>	<b>School Millage (2)</b>	<b>Total County Millage</b>	
2007	0.55	-	0.55	0.94	-	0.94	1.49
2008	0.55	-	0.55	0.94	-	0.94	1.49
2009	0.58	-	0.58	0.94	-	0.94	1.52
2010	0.55	-	0.55	0.86	-	0.86	1.41
2011	0.55	-	0.55	0.86	-	0.86	1.41
2012	0.55	-	0.55	0.86	-	0.86	1.41
2013	0.58	-	0.58	0.86	-	0.86	1.44
2014	0.58	-	0.58	0.86	-	0.86	1.44
2015	0.58	-	0.58	0.895	-	0.895	1.475
2016	0.605	-	0.605	0.95	-	0.95	1.555

<b>City of Rocky Mount</b>				<b>Overlapping Rates Nash County</b>		<b>Total Direct and Overlapping Rates (Nash County)</b>
<b>Fiscal Year</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Total County Millage</b>	<b>Municipal Service District Tax (1)</b>	
2007	0.55	-	0.55	0.66	0.20	1.41
2008	0.55	-	0.55	0.70	0.20	1.45
2009	0.58	-	0.58	0.70	0.20	1.48
2010	0.55	-	0.55	0.70	0.20	1.45
2011	0.55	-	0.55	0.67	0.20	1.42
2012	0.55	-	0.55	0.67	0.20	1.42
2013	0.58	-	0.58	0.67	0.20	1.45
2014	0.58	-	0.58	0.67	0.20	1.45
2015	0.58	-	0.58	0.67	0.20	1.45
2016	0.605	-	0.605	0.67	0.20	1.475

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	2016			2007		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc	Pharmaceuticals	\$ 211,774,438	1	5.31 %	\$130,044,688	1	4.16 %
Edgecombe Genco LLC <sup>a</sup>	Electrical Energy Producer	38,140,757	2	0.96	\$46,366,086	2	1.48
Hendon Golden East LLC	Retail Shopping Center	34,230,279	3	0.86	24,514,456	6	0.78
Carolina Telephone Company	Communications	30,883,274	4	0.77	41,764,539	3	1.34
Centura Bank Inc	Banking	19,174,170	5	0.48	38,167,825	4	1.22
Kaba Ilco Corp	Key & Security System Manufacturer	19,112,314	6	0.48	20,946,098	7	0.67
Duke Energy Progress, Inc.	Electrical Energy Producer	16,651,482	7	0.42			
Nello L Teer Company	General Contractor/Quarry Division	15,577,051	8	0.39			
Oakwood Properties LLC	Community Development Company	15,367,690	9	0.39			
Honeywell International Inc	Aircraft Manufacturer	13,500,871	10	0.34	20,000,852	8	0.64
Fords Colony at RY Mount LLC	Community Development Company				26,551,403	5	0.85
Cobb Corners Ltd. Partnership	Retail Shopping Center				16,914,055	9	0.54
Carolina Power & Light	Electrical Energy Producer				12,761,397	10	0.41
Total		<u>\$414,412,326</u>		<u>10.39 %</u>	<u>\$378,031,399</u>		<u>12.09 %</u>

Source: City of Rocky Mount Finance Dept

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	17,089,087	446,941	17,536,028	16,403,053	95.99	966,438	17,369,491	99.05
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,142,813	17,954,505	99.02
2009	19,086,402	454,654	19,541,056	18,132,030	95.00	1,207,415	19,339,445	98.97
2010	21,219,040	422,197	21,641,237	20,125,420	94.85	1,169,490	21,294,910	98.40
2011	21,239,809	387,076	21,626,885	19,993,488	94.13	1,227,824	21,221,312	98.12
2012	21,241,883	437,659	21,679,542	20,276,321	95.45	1,077,302	21,353,623	98.50
2013	22,521,357	271,649	22,793,006	21,473,139	95.35	932,514	22,405,653	98.30
2014	23,143,497	127,281	23,270,778	22,351,527	96.58	470,525	22,822,052	98.07
2015	23,012,679	267,720	23,280,399	22,562,575	98.04	216,526	22,779,101	97.85
2016	24,015,823	110,807	24,126,630	23,394,761	97.41		23,394,761	96.97

Source: City of Rocky Mount Finance Department

**City of Rocky Mount, North Carolina**

**Electric Utility Revenue Rates  
Fiscal Year 2015 -2016**

<u>Service Type</u>	<u>Monthly Customer Charge</u>	<u>Monthly Customer Charge-Single Phase</u>	<u>Monthly Customer Charge-Three Phase</u>	<u>Monthly Customer Charge-Under 1,000 kW</u>	<u>Monthly Customer Charge-1,000 - 2,500 kW</u>	<u>Monthly Customer Charge-1,500 - 2,500 kW</u>	<u>Monthly Customer Charge-Over 2,500 kW</u>
Residential effective 7/1/15-8/31/15		14.00	35.00				
Residential effective 9/1/15-6/30/16		26.00	45.00				
Small General Service 7/1/15-8/31/15		26.00	45.00				
Small General Service 9/1/15-6/30/16		26.00	45.00				
Medium General Service 7/1/15-8/31/15		27.00	47.00				
Medium General Service 9/1/15-6/30/16		33.00	53.00				
Large General Service 7/1/15-8/31/15	1,130.00						
Large General Service 9/1/15-6/30/16	600.00						
Coordinated Demand Control Service				265.00	975.00		1,850.00
Coordinated Demand Control/Indust effective 7/1/15-8/31/15, repealed 9/1/15						975.00	1,850.00
Med General Seasonal/Intermittent effective 7/1/15-8/31/15		38.00	58.00				
Med General Seasonal/Intermittent effective 9/1/15-6/30/16		33.00	50.00				

<u>Service Type</u>	<u>Monthly Energy Charge/kWH</u>	<u>Monthly Energy Charge-First 750 kWH/kWH</u>	<u>Monthly Energy Charge-Next 1250 kWH/kWH</u>	<u>Monthly Energy Charge-All Over 2000 kWH/kWH</u>	<u>Monthly Energy Charge-First 2000 kWH/kWH</u>	<u>Monthly Energy Charge-Additional kWH/kWH</u>
Residential effective 7/1/15-8/31/15	0.131538					
Residential effective 9/1/15-6/30/16	0.099750					
Small General Service 7/1/15-8/31/15		0.158244	0.131759	0.124472		
Small General Service 9/1/15-6/30/16		0.132925	0.110678	0.104556		
Medium General Service 7/1/15-8/31/15	0.097561					
Medium General Service 9/1/15-6/30/16	0.074412					
Large General Service 7/1/15-8/31/15	0.073988					
Large General Service 9/1/15-6/30/16	0.061169					
Coordinated Demand Control Service	0.058375					
Coordinated Demand Control/Indust effective 7/1/15-8/31/15, repealed 9/1/15	0.058375					
Med General Seasonal/Intermittent effective 7/1/15-8/31/15					0.145534	0.115393
Med General Seasonal/Intermittent effective 9/1/15-6/30/16					0.125159	0.099238

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.  
Effective 9/1/15, the electric rates reflected an overall reduction due to the sale of the NCEMPA generation assets to Duke Energy Progress

## City of Rocky Mount, North Carolina

### Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Residential-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	9.23	9.23	10.00	10.00	10.00
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	15.00	15.00	15.00
Monthly Energy Charge/kWH	0.11	0.11	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	-	-	-	-	-
<b><u>Small General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	17.60	17.60	18.22	18.22	18.22
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	13.68	13.68	13.68
Monthly Energy Charge/kWH-First 750 kWh/kWH	0.14	0.14	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWh/kWH	0.11	0.11	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWh/kWH	0.11	0.11	0.12	0.12	0.12
<b><u>Medium General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	17.60	17.60	19.01	19.01	19.01
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.22	14.28	14.28	14.28
Monthly Energy Charge/kWH	0.08	0.08	0.10	0.10	0.10
<b><u>Large General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge	733.82	733.82	807.20	807.20	807.20
Monthly Energy Charge/kWH	0.06	0.06	0.07	0.07	0.07
<b><u>Coordinated Demand Control Service-rates fiscal end</u></b>					
Monthly Customer Charge-Under 1,000 kW	175.63	175.63	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	643.97	643.97	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	1,229.41	1,229.41	1,327.76	1,327.76	1,327.76
Monthly Energy Charge/kWH	0.05	0.05	0.06	0.06	0.06
<b><u>Coordinated Demand Control Service/Industrial-rates fiscal end</u></b>					
<i>repealed 9/1/15</i>					
Monthly Customer Charge-1,500 -2,500 kW	-	-	-	-	-
Monthly Customer Charge-Over 2,500 kW	-	-	-	-	-
Monthly Energy Charge/kWH	-	-	-	-	-
<b><u>Med General Seasonal/Intermittent-rates fiscal end</u></b>					
Monthly Customer Charge-Single Phase	17.60	17.60	26.60	26.60	26.60
Monthly Customer Charge-Three Phase	30.82	30.82	40.88	40.88	40.88
Monthly Energy Charge-First 2000 kWh/kWH	0.12	0.12	0.15	0.15	0.15
Monthly Energy Charge-Additional kWh/kWH	0.09	0.09	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.  
Effective 9/1/15, the electric rates reflected an overall reduction due to the sale of the NCEMPA  
generation assets to Duke Energy Progress  
This schedule reflects, if applicable, rates effective 9/1/15-6/30/16**

## City of Rocky Mount, North Carolina

### Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Residential-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	10.00	10.00	14.00	14.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	15.00	15.00	21.00	21.00	19.00
Monthly Energy Charge/kWH	0.13	0.13	0.13	0.13	0.10
Monthly Energy Charge/kWH-Summer	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	-	-	-	-	-
<b><u>Small General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	18.22	18.22	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	13.68	13.68	19.00	19.00	19.00
Monthly Energy Charge/kWH-First 750 kWh/kWH	0.16	0.16	0.16	0.16	0.13
Monthly Energy Charge/kWH-Next 1250 kWh/kWH	0.13	0.13	0.13	0.13	0.11
Monthly Energy Charge/kWH-Over 2000 kWh/kWH	0.12	0.12	0.12	0.12	0.10
<b><u>Medium General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge-Single Phase	19.01	19.01	27.00	27.00	33.00
Monthly Customer Charge-Three Phase(add amount to single)	14.28	14.28	20.00	20.00	20.00
Monthly Energy Charge/kWH	0.10	0.10	0.10	0.10	0.07
<b><u>Large General Service-rates at fiscal year-end</u></b>					
Monthly Customer Charge	807.20	807.20	1,130.00	1,130.00	600.00
Monthly Energy Charge/kWH	0.07	0.07	0.07	0.07	0.06
<b><u>Coordinated Demand Control Service-rates fiscal end</u></b>					
Monthly Customer Charge-Under 1,000 kW	189.68	189.68	265.00	265.00	265.00
Monthly Customer Charge-1,000 -2,500 kW	695.49	695.49	975.00	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	1,327.76	1,327.76	1,850.00	1,850.00	1,850.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.06
<b><u>Coordinated Demand Control Service/Industrial-rates fiscal end</u></b>					
<i>repealed 9/1/15</i>					
Monthly Customer Charge-1,500 -2,500 kW	-	695.49	975.00	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	-	1,327.76	1,850.00	1,850.00	1,850.00
Monthly Energy Charge/kWH	-	0.06	0.06	0.06	0.06
<b><u>Med General Seasonal/Intermittent-rates fiscal end</u></b>					
Monthly Customer Charge-Single Phase	26.60	26.60	38.00	38.00	33.00
Monthly Customer Charge-Three Phase	40.88	40.88	20.00	20.00	20.00
Monthly Energy Charge-First 2000 kWh/kWH	0.15	0.15	0.15	0.15	0.13
Monthly Energy Charge-Additional kWh/kWH	0.12	0.12	0.12	0.12	0.10

**City of Rocky Mount, North Carolina**

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

Type of Business	2016			2007		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 81,730,933	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 83,585,301
Healthcare	\$ 2,588,689	1	3.17%	\$ 1,801,241	1	2.15%
Plastic Packaging Manufacturer	993,887	2	1.22%	-		
Bakery Production Facility	903,602	3	1.11%	616,278	6	0.74%
Key & Security System Manufacturer	865,163	4	1.06%	990,524	2	1.19%
Food Distributor	690,802	5	0.85%	778,905	5	0.93%
Communications	570,920	6	0.70%	515,202	8	0.62%
Elevator Products Manufacturer	550,176	7	0.67%	487,578	10	0.58%
Plastic Packaging Manufacturer	548,978	8	0.67%	-		0.00%
Bakery Production Facility	506,122	9	0.62%	-		0.00%
Department Store	402,508	10	0.49%	583,102	7	0.70%
Bread Distributor				960,349	3	1.15%
Plastic Packaging Manufacturer	-			796,797	4	0.95%
Textile Manufacturer	-			488,702	9	0.58%
	<u>\$ 8,620,847</u>		<u>10.55%</u>	<u>\$ 8,018,678</u>		<u>9.59%</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

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Purchased Power</u>	<u>Operating Expenses</u>	<u>Operating Income</u>	<u>Nonoperating Revenues &amp; (Expenses) Net</u>	<u>Income Before Transfers</u>
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859
2009	90,529,005	73,432,691	13,252,151	3,844,163	(84,844)	3,759,318
2010	94,210,653	75,831,363	13,969,285	4,410,005	2,097,226	6,507,231
2011	96,025,207	77,389,296	14,340,205	4,295,706	(99,146)	4,196,560
2012	89,571,738	74,419,871	13,832,305	1,319,562	(328,186)	991,376
2013	91,499,477	74,829,348	13,786,016	2,884,113	281,297	3,165,410
2014	93,771,709	75,354,137	14,052,385	4,365,187	(217,178)	4,148,009
2015	93,059,344	72,729,666	14,139,991	6,189,687	(697,028)	5,492,659
2016	81,344,061	53,102,969	15,495,839	12,745,253	(31,786)	12,713,467

<u>Fiscal Year</u>	<u>Capital Contributions &amp; Transfers In (Out) Net</u>	<u>Net Income (Loss)</u>	<u>Ratio of Net Income (loss) to Operating Revenues</u>
2007	(1,450,000)	3,814,969	4.6%
2008	(1,500,000)	3,612,859	4.3%
2009	(1,600,000)	2,159,318	2.4%
2010	(1,590,780)	4,916,451	5.2%
2011	(2,181,700)	2,014,860	2.1%
2012	(791,132)	200,244	0.2%
2013	(1,396,325)	1,769,085	1.9%
2014	(1,425,000)	2,723,009	2.9%
2015	(1,700,000)	3,792,659	4.1%
2016	(1,700,000)	11,013,467	13.5%

Source: Audited financial reports of the City of Rocky Mount

Note: FY2016 reduction in electric rates due to sale of NCEMPA generation assets to Duke Energy Progress

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ELECTRIC FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301
2008	81,823,996	1,462,308	-	-	559,737	83,846,041
2009	89,004,211	1,524,794	-	-	481,932	91,010,936
2010	92,440,662	1,769,991	-	2,257,775	402,727	96,871,155
2011	94,371,459	1,653,748	-	318,300	228,002	96,571,509
2012	88,157,911	1,413,827	63,461	708,868	61,319	90,405,386
2013	89,526,567	1,972,910	91,623	8,094	473,962	92,073,156
2014	91,430,978	2,340,731	63,945	-	24,020	93,859,674
2015	91,929,928	1,129,416	70,880	-	20,761	93,150,985
2016	80,485,127	858,934	317,144	-	69,728	81,730,933

Source: Audited financial reports of the City of Rocky Mount

Note: FY2016 reduction in electric rates due to sale of NCEMPA generation assets to Duke Energy Progress

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ELECTRIC FUND USER CHARGES**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Commercial</b>	<b>Seasonal</b>	<b>Other Lights</b>	<b>Total User Charges</b>
2007	37,192,405	39,477,453	2,484,540	131,543	1,734,325	81,020,266
2008	37,707,077	39,611,025	2,472,961	281,242	1,751,691	81,823,996
2009	41,709,152	42,381,333	2,683,107	295,579	1,935,040	89,004,211
2010	43,397,592	43,823,509	2,877,527	333,594	2,008,441	92,440,662
2011	44,716,962	44,365,860	2,970,260	315,935	2,002,442	94,371,459
2012	40,212,629	42,797,522	2,852,626	273,571	2,021,564	88,157,911
2013	41,677,126	42,662,606	2,817,395	295,960	2,073,480	89,526,567
2014	42,714,433	42,689,175	3,609,477	331,702	2,086,191	91,430,978
2015	42,738,735	43,073,256	3,607,192	366,185	2,144,560	91,929,928
2016	37,041,030	35,509,526	5,485,774	350,457	2,098,339	80,485,127

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

Note: FY2016 reduction in electric rates due to sale of NCEMPA generation assets to Duke Energy Progress

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Gas</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384
2009	29,689,679	20,694,036	4,764,483	4,231,160	42,974	4,274,134
2010	25,025,210	16,455,078	4,961,557	3,608,575	(248,616)	3,359,959
2011	24,079,519	16,116,224	6,245,513	1,717,782	(29,343)	1,688,439
2012	19,545,646	11,130,071	7,073,482	1,342,093	(68,154)	1,273,939
2013	23,315,073	12,583,862	6,452,707	4,278,504	(250,737)	4,027,767
2014	26,655,662	14,329,752	7,156,602	5,169,308	(257,710)	4,911,598
2015	27,193,682	14,881,099	6,372,319	5,940,264	(258,012)	5,682,252
2016	20,385,720	11,028,446	8,847,685	509,589	(152,026)	357,563

<b>Fiscal Year</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
2007	(900,000)	1,917,923	6.5%
2008	(1,125,000)	2,193,384	7.7%
2009	(1,000,000)	3,274,134	11.0%
2010	(1,250,000)	2,109,959	8.4%
2011	(1,400,000)	288,439	1.2%
2012	(1,266,000)	7,939	0.04%
2013	(1,400,000)	2,627,767	11.27%
2014	(1,066,000)	3,845,598	14.43%
2015	(1,900,000)	3,782,252	13.91%
2016	(2,100,000)	(1,742,437)	-8.55%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GAS FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2007	29,526,454	-	-	307,887	29,834,341
2008	28,531,480	16,480	-	314,643	28,862,603
2009	29,655,658	34,021	-	220,179	29,909,858
2010	25,026,292	(1,082)	-	157,267	25,182,477
2011	24,063,284	16,235	-	54,603	24,134,122
2012	19,510,767	34,879	29,272	44,032	19,618,950
2013	23,257,570	57,503	-	131,007	23,446,080
2014	26,507,748	147,914	-	8,894	26,664,556
2015	26,993,761	199,921	-	15,444	27,209,126
2016	20,218,245	167,475	4,599	39,195	20,429,514

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>
2007	14,975,766	8,592,738	1,102,949	4,565,371	288,076	1,554	29,526,454
2008	13,951,182	8,082,688	1,197,004	4,849,275	451,004	327	28,531,480
2009	15,094,397	8,775,190	1,163,655	3,918,287	704,281	(152)	29,655,658
2010	13,103,265	7,132,263	920,091	3,226,058	644,615	-	25,026,292
2011	12,704,787	6,881,866	1,021,194	3,106,369	349,068	-	24,063,284
2012	9,845,454	5,777,053	991,476	2,490,777	406,006	-	19,510,767
2013	12,064,937	6,623,544	1,229,641	2,898,610	440,838	-	23,257,570
2014	13,789,553	7,557,336	1,185,317	3,791,887	183,655	-	26,507,748
2015	13,865,721	7,763,319	1,364,225	3,761,901	238,596	-	26,993,761
2016	10,252,283	5,733,321	1,204,443	2,800,705	227,494	-	20,218,245

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income (loss)</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664
2008	9,294,113	8,489,576	804,537	(40,717)	763,820
2009	9,273,368	9,636,746	(363,377)	29,863	(333,514)
2010	11,190,160	8,881,041	2,309,119	160,691	2,469,810
2011	11,663,325	9,031,332	2,631,993	(47,282)	2,584,711
2012	10,371,461	9,156,365	1,215,096	(126,421)	1,088,675
2013	10,349,229	8,678,396	1,670,833	(70,597)	1,600,236
2014	10,961,723	7,570,233	3,391,490	(90,826)	3,300,664
2015	10,942,768	9,998,089	944,679	(145,622)	799,057
2016	11,340,187	9,913,611	1,426,576	(111,578)	1,314,998

<b>Fiscal Year</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
2007	(350,000)	559,664	5.9%
2008	(119,000)	644,820	6.9%
2009	(350,000)	(683,514)	-7.4%
2010	(250,000)	2,219,810	19.8%
2011	(408,767)	2,175,944	18.7%
2012	(500,000)	588,675	5.7%
2013	(700,000)	900,236	8.7%
2014	(526,000)	2,774,664	25.3%
2015	(125,000)	674,057	6.2%
2016	(500,000)	814,998	7.2%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**WATER FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2007	9,323,877	36,407	151,761	-	-	214,692	9,726,737
2008	9,059,969	40,597	193,547	-	-	185,226	9,479,339
2009	9,010,135	51,032	106,666	103,859	105,536	83,016	9,460,243
2010	10,970,151	42,976	177,033	67,370	156,631	61,646	11,475,807
2011	11,424,381	46,990	191,954	52,750	91,233	59,883	11,867,191
2012	10,140,548	38,859	192,054	14,119	-	31,806	10,417,386
2013	10,181,457	39,882	127,890	-	-	78,893	10,428,122
2014	10,771,384	22,020	168,319	29,700	-	18,343	11,009,766
2015	10,664,276	61,813	216,679	10,775	-	16,002	10,969,545
2016	11,046,278	49,025	244,884	8,059	-	32,080	11,380,326

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## WATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Inside City</b>	<b>Outside City</b>	<b>Municipal</b>	<b>Other</b>	<b>Total User Charges</b>
2007	7,421,037	858,071	1,044,769	-	9,323,877
2008	7,241,132	863,623	955,214	-	9,059,969
2009	7,285,379	633,808	1,090,948	-	9,010,135
2010	8,074,971	1,352,958	1,542,222	-	10,970,151
2011	9,106,840	748,923	1,568,618	-	11,424,381
2012	7,986,742	699,609	1,454,197	-	10,140,548
2013	7,778,890	694,856	1,707,711	-	10,181,457
2014	8,234,091	752,157	1,785,136	-	10,771,384
2015	8,332,830	753,613	1,577,833	-	10,664,276
2016	8,647,758	834,213	1,564,307	-	11,046,278

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230
2009	10,641,539	9,729,040	912,499	(218,125)	694,375
2010	11,924,944	10,491,072	1,433,872	(19,839)	1,414,033
2011	11,817,647	10,546,926	1,270,721	(234,530)	1,036,191
2012	11,768,570	10,782,819	985,751	(241,317)	744,434
2013	11,772,500	10,898,113	874,387	(125,733)	748,654
2014	11,933,548	12,777,308	(843,760)	(380,992)	(1,224,752)
2015	12,063,032	11,763,654	299,378	(1,251,280)	(951,902)
2016	12,848,473	11,841,856	1,006,617	(788,783)	217,834

<b>Fiscal Year</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
2007	(22,445)	1,009,970	9.5%
2008	(386,090)	595,140	5.8%
2009	-	694,375	6.5%
2010	(12,912)	1,401,121	11.7%
2011	240,815	1,277,006	10.8%
2012	516,825	1,261,259	10.7%
2013	(120,412)	628,242	5.3%
2014	-	(1,224,752)	-10.3%
2015	(10,250)	(962,152)	-8.0%
2016	(10,762)	207,072	1.6%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SEWER FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Other Non-Operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2007	10,522,925	10,465	68,232	-	-	89,195	10,690,817
2008	10,114,902	32,606	98,271	-	-	102,610	10,348,389
2009	10,162,577	29,911	449,051	-	-	88,204	10,729,743
2010	11,728,526	47,552	148,866	-	194,360	78,285	12,197,589
2011	11,641,154	37,111	139,382	-	300,815	103,151	12,221,613
2012	11,549,285	45,019	174,266	-	516,825	67,778	12,353,173
2013	11,538,328	31,417	202,755	-	29,588	133,651	11,935,739
2014	11,689,883	12,103	231,562	-	24,106	41,053	11,998,707
2015	11,756,097	50,506	256,429	-	-	35,209	12,098,241
2016	12,532,495	53,534	262,444	257	-	42,615	12,891,345

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

<b>Fiscal Year</b>	<b>Sewer Service</b>	<b>Sewer Surcharge</b>	<b>Sewer No Water</b>	<b>Wholesale</b>	<b>Other</b>	<b>Total User Charges</b>
2007	8,386,692	134,055	92,025	1,880,219	29,934	10,522,925
2008	8,136,203	309,030	76,810	1,567,474	25,385	10,114,902
2009	8,023,266	358,193	14,899	1,745,010	21,209	10,162,577
2010	9,058,870	371,775	16,705	2,256,489	24,687	11,728,526
2011	9,085,866	494,932	87,046	1,950,726	22,585	11,641,154
2012	8,873,524	401,266	89,566	2,162,492	22,437	11,549,285
2013	8,898,925	356,401	90,517	2,170,121	22,364	11,538,328
2014	8,715,746	357,862	98,083	2,495,781	22,411	11,689,883
2015	8,728,066	333,735	100,247	2,571,500	22,549	11,756,097
2016	9,443,112	463,221	128,912	2,474,028	23,222	12,532,495

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORM WATER FUND REVENUES, EXPENSES AND NET INCOME**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>
2007	2,666,750	2,738,985	(72,235)	112,552	40,317
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)
2009	2,918,743	2,849,727	69,016	39,492	108,508
2010	2,933,755	2,931,774	1,981	68,807	70,788
2011	3,352,106	3,054,109	297,997	1,357	299,354
2012	3,603,852	3,328,564	275,288	(10,210)	265,078
2013	3,418,192	3,215,172	203,020	18,891	221,911
2014	3,505,458	3,594,178	(88,720)	(18,047)	(106,767)
2015	4,096,545	3,322,599	773,946	(15,061)	758,885
2016	4,068,312	3,328,062	740,250	(12,216)	728,034

<b>Fiscal Year</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
2007	510,000	550,317	20.6%
2008	300,000	191,981	7.1%
2009	300,000	408,508	14.0%
2010	300,000	370,788	12.6%
2011	(85,162)	214,192	6.4%
2012	200,000	465,078	12.9%
2013	108,245	330,156	9.7%
2014	79,000	(27,767)	-0.8%
2015	75,000	833,885	20.4%
2016	75,000	803,034	19.7%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORMWATER FUND REVENUES BY SOURCE**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2007	2,666,750	-	-	-	122,104	2,788,854
2008	2,691,342	-	-	-	111,921	2,803,263
2009	2,918,643	100	-	-	59,734	2,978,477
2010	2,930,985	2,770	-	43,126	33,349	3,010,230
2011	3,351,376	730	-	14,838	26,199	3,393,143
2012	3,413,995	189,857	380	-	13,529	3,617,761
2013	3,388,414	29,778	-	33,245	47,606	3,499,043
2014	3,457,268	48,190	-	29,000	6,153	3,540,611
2015	4,040,905	55,640	-	-	5,100	4,101,645
2016	4,022,698	45,614	-	-	8,587	4,076,899

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Multi-family</b>	<b>Commercial</b>	<b>Total User Charges</b>
2007	744,151	170,866	1,751,733	2,666,750
2008	744,473	184,058	1,762,811	2,691,342
2009	790,210	195,884	1,932,549	2,918,643
2010	783,135	196,926	1,950,925	2,930,985
2011	882,349	229,915	2,239,111	3,351,376
2012	893,621	232,456	2,287,919	3,413,995
2013	875,806	227,658	2,284,951	3,388,414
2014	890,392	229,306	2,337,570	3,457,268
2015	1,045,465	273,979	2,721,461	4,040,905
2016	1,042,414	275,866	2,704,418	4,022,698

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
	Capital Leases	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	
2007	13,760,314	-	1,500,000	-	2,385,366	3,149,634	4,253,610	7,717,568	32,766,492
2008	13,323,336	-	1,300,000	17,000	1,577,315	2,082,685	4,255,536	7,826,068	30,381,940
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
2010	12,068,881	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946	33,811,776
2011	12,477,111	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382	33,111,304
2012	11,274,007	2,510,000	500,000	834,046	-	-	5,268,013	13,468,136	33,854,202
2013	20,558,364	2,365,000	400,000	785,052	-	-	7,377,096	15,303,040	46,788,552
2014	18,728,008	2,220,000	300,000	1,834,203	-	-	6,947,668	11,578,875	41,608,754
2015	18,578,801	2,075,000	200,000	1,453,760	-	-	6,518,239	8,845,332	37,671,132
2016	16,967,327	1,930,000	100,000	1,009,857	-	-	6,088,810	8,475,070	34,571,064

Fiscal Year	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2007	0.77%	581.34
2008	0.68%	539.03
2009	0.69%	537.80
2010	0.70%	561.47
2011	0.69%	576.08
2012	0.68%	589.46
2013	0.92%	825.92
2014	0.78%	738.73
2015	not available	668.82
2016	not available	617.80

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

<sup>a</sup> See Demographic and Economic Statistics for personal income and population data.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>			
2007	5,535,000	-	5,535,000	0.34%	0.14%	98
2008	3,660,000	-	3,660,000	0.21%	0.09%	65
2009	1,815,000	-	1,815,000	0.10%	0.05%	31
2010	-	-	-	0.00%	0.00%	0
2011	-	-	-	0.00%	0.00%	0
2012	-	-	-	0.00%	0.00%	0
2013	-	-	-	0.00%	0.00%	0
2014	-	-	-	0.00%	0.00%	0
2015	-	-	-	0.00%	0.00%	0
2016	-	-	-	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, 2016

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount<sup>1</sup></u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt	20,007,184	100.0%	20,007,184
Total Direct Debt	<u>\$ 20,007,184</u>		<u>\$ 20,007,184</u>
Overlapping Debt			
Edgecombe County:			
School	7,466,000	16.0%	1,194,560
Non General Obligation	18,088,085	16.0%	2,894,094
Nash County Non Gen Obligation	<u>29,064,354</u>	84.0%	<u>24,414,057</u>
Total Overlapping Debt	<u>\$ 54,618,439</u>		<u>\$ 28,502,711</u>
Total direct and overlapping debt	<u>\$ 74,625,623</u>		<u>\$ 48,509,895</u>

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636	\$ 320,843	\$ 319,050
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	<u>\$ 250,175</u>	<u>\$ 258,592</u>	<u>\$ 264,621</u>	<u>\$ 310,381</u>	<u>\$ 310,082</u>	<u>\$ 310,505</u>	<u>\$ 312,224</u>	<u>\$ 320,636</u>	<u>\$ 320,843</u>	<u>\$ 319,050</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed Value	3,988,119,056
Debt Limit (8% of total assessed value) (1)	319,049,524
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	-
	<u>-</u>
Total amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$319,049,524</u>

Notes:

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PLEGDED REVENUE COVERAGE - WATER & SEWER**

**Last Ten Fiscal Years**

Fiscal Year	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Sewer Bonds				Coverage
			Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			
				Principal	Interest	Total	
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%
2015	10,811,752	9,833,829	977,923	-	-	-	100.00%
2016	12,059,690	9,969,066	2,090,624	-	-	-	100.00%

Fiscal Year	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Water Bonds				Coverage
			Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			
				Principal	Interest	Total	
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%
2015	10,797,146	8,394,189	2,402,957	-	-	-	100.00%
2016	11,228,609	8,688,805	2,539,804	-	-	-	100.00%

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

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

<sup>3</sup> Includes General Obligation Bonds

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Years**

<b>Year</b>	<b>City Population (1)</b>	<b>Rocky Mount MSA(a) Personal Income (Millions) (2)</b>	<b>Rocky Mount MSA(a) Per Capita Income (2)</b>	<b>Rocky Mount Unemployment Rate (3)</b>	<b>Rocky Mount Retail Sales (Millions) (4)</b>
2007	56,364	4,266.0	29,299	6.8%	720.0
2008	56,364	4,459.4	30,469	8.9%	707.0
2009	59,228	4,584.9	31,276	14.3%	634.9
2010	60,220	4,803.6	31,504	13.2%	562.2
2011	57,477	4,774.7	31,380	13.7%	668.8
2012	57,433	4,999.4	32,964	13.2%	704.3
2013	56,650	5,084.8	33,749	13.3%	671.5
2014	56,325	5,306.40	35,544	10.2%	686.1
2015	56,325	not available	not available	8.90%	575.3
2016	55,958	not available	not available	7.50%	710.6

Sources: (1) US Census Bureau  
 (2) U.S. Dept of Commerce - Bureau of Economic Analysis  
 (3) NC Employment Security Commission  
 (4) NC Dept of Revenue

(a) Metropolitan Statistical Area

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total MSA (a) Employment	Employees	Rank	Percentage of Total MSA (a) Employment
Hospira	3,000	1	4.07%	1,800	2	2.70%
Nash Rocky Mount Schools	2,275	2	3.09%	2,500	1	3.75%
Cummins-Rocky Mount Engines	1,800	3	2.44%	1,350	4	2.02%
Nash Health Care Systems	1,600	4	2.17%	1,725	3	2.58%
CenturyLink/ Sprint	1,000	5	1.36%	1,100	6	1.65%
Universal Leaf	800	6	1.08%			
West Customer Management Group	800	7	1.08%	800	8	1.20%
MBM, Corp.	650	8	0.88%	600	10	0.90%
McLane North Carolina	575	9	0.78%	570	9	0.85%
Kaba Ilco Corporation	495	10	0.67%	575	8	0.87%
PNC Bank (Formerly RBC)				1,250	5	1.87%
QVC , Inc.				850	7	1.27%
	<u>12,995</u>		<u>17.62%</u>	<u>13,120</u>		<u>19.66%</u>

Source: Carolina Gateways Partnership  
(a) Metropolitan Statistical Area

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Government	105	105	102	112	112	114	108	107	110	119
Public Safety										
Police	191	195	206	223	200	197	191	199	198	198
Fire	133	148	146	144	142	142	143	145	140	144
Public Works	103	108	105	103	100	92	91	90	86	75
Engineering	25	24	25	25	25	25	25	25	24	23
Parks & Recreation	66	63	66	64	66	67	65	62	59	58
Public Service	4	4	4	4	4	2	2	2	2	2
Economic Development	20	22	22	24	20	17	16	17	18	19
Electric	59	63	64	67	69	69	64	66	64	70
Gas	18	19	20	19	18	18	19	19	20	16
Water	55	62	61	62	47	46	47	44	43	43
Sewer	27	24	24	24	37	35	37	34	37	36
Storm Water	31	34	37	38	39	39	37	34	35	36
<b>Total</b>	<b>837</b>	<b>871</b>	<b>882</b>	<b>909</b>	<b>879</b>	<b>863</b>	<b>845</b>	<b>844</b>	<b>836</b>	<b>839</b>

Source: Finance Department

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Police										
Physical arrests	11,367	10,985	11,524	12,030	12,281	11,730	9,704	9,014	8,171	7,831
Traffic violations	6,741	6,381	10,073	10,137	10,570	7,241	7,397	6,760	8,098	7,799
Fire										
Number of calls answered	7,679	8,238	8,982	9,346	9,630	9,927	9,478	9,672	9,884	10,455
Inspections	2,361	2,174	2,491	2,385	2,009	2,444	1,996	1,760	2,754	2,196
Water										
Number of meters	24,998	25,172	24,314	24,364	24,927	24,441	24,239	24,365	24,403	24,694
Avg daily consumption (millions of gallons)	11.5	10.11	9.41	10.04	10.44	9.67	9.19	9.50	7.90	9.00
Peak daily consumption (millions of gallons)	13.5	15	15.99	16.39	16.00	15.07	13.71	12.40	13.00	14.20
Wastewater										
Avg daily sewer treatment (millions of gallon	12.8	8.5	9.9	11.47	9.33	10.51	10.39	11.6	10.3	11.3

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## CAPITAL ASSET STATISTICS BY FUNCTION

### Last Ten Fiscal Years

<b>Function/Program</b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	42	51	51	58	59	63	57	73	66	72
<b>Fire</b>										
Stations	7	7	7	7	7	7	7	7	7	7
<b>Public Works</b>										
Streets (miles)	263	281	283	284	284	284	284	283	283	283
Streetlights	6,850	6,913	6,919	6,830	6,830	6,949	7,073	7,113	7,207	7,254
<b>Recreation and Parks</b>										
Parks	41	41	41	41	41	41	41	43	43	43
Acreage	473	473	473	473	473	473	473	482	506	506
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	34	37	37	37	36	36	36	36	36	36
Recreation centers	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Water mains (miles)	473	480	480	480	489	492	492	494	494	497
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	10	9.25	9.25	10	10	10	10	10
<b>Wastewater</b>										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
<b>Electric</b>										
Distribution lines (miles)	720	734	735	733	733	741	742	742	744	744

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

