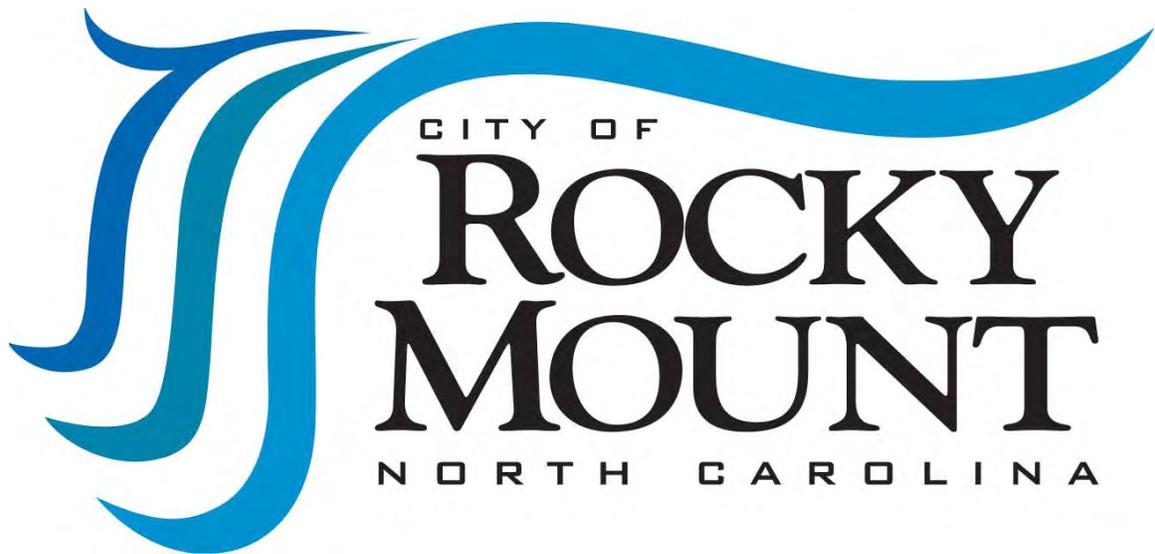


Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2009

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009**

**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, 2009

TABLE OF CONTENTS

		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	1-6
	GFOA Certificate of Achievement for Excellence in Financial Reporting	7
	Organizational Chart	8
	List of Principal Officials	9
	Financial Section:	
	Independent Auditors' Report	10-11
	Management's Discussion and Analysis	12-28
<u>Exhibit</u>	Basic Financial Statements:	
	Government-wide Financial Statements:	
A	Statement of Net Assets	29-30
B	Statement of Activities	31-32
	Fund Financial Statements:	
C	Balance Sheet - Governmental Funds	33-34
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	35
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities	36
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	37-38

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements (continued):	
G	Statement of Net Assets - Proprietary Funds	39-40
H	Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	41-42
I	Statement of Cash Flows - Proprietary Funds	43-46
J	Statement of Fiduciary Net Assets - Fiduciary Funds	47
	Notes to the Financial Statements	48-86
<u>Schedule</u>		
	Required Supplemental Financial Data:	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	87
A-2	Other Post-Employment Benefits - Required Supplementary Information	88
	Supplementary Information:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	89-99
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	100
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	101
	Nonmajor Special Revenue Funds:	
D-1	Combining Balance Sheet	102-103
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-105
D-3	Public Transportation Grants Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
D-4	Entitlement Grants Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
D-5	Emergency Management Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
D-6	Crime/Safety Control Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
D-7	Economic Development Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
D-8	Emergency Telephone System Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111
D-9	Occupancy Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
	Nonmajor Capital Project Funds:	
E-1	Combining Balance Sheet	113
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	114
E-3	General Capital Projects Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
E-4	General Capital Development Projects Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
E-5	Imperial Theatre Capital Project Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Enterprise Funds:	
F-1	Electric Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118
F-2	Gas Operating Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119
F-3	Water Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	120
F-4	Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	121
F-5	Stormwater Management Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	122
	Internal Service Fund:	
G-1	Risk Management Schedule of Revenues, Expenditures, and and Changes in Fund Balance - Financial Plan and Actual (Non-GAAP)	123
	Agency Funds:	
H-1	Combining Statement of Changes in Assets and Liabilities	124
	Other Supplemental Schedules:	
I-1	General Fund - Schedule of Ad Valorem Taxes Receivable	125
I-2	Analysis of Current Tax Levy -	126
I-3	Schedule of Interfund Transfers	127-128

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Capital Assets Used In The Operation of Governmental Funds:	
J-1	Comparative Schedule By Source	129
J-2	Schedule By Function and Activitiy	130-131
J-3	Schedule of Changes by Function and Activity	132
	Statistical Section:	
	Net Assets by Component, Last Seven Fiscal Years	133
	Changes in Net Assets, Last Ten Fiscal Years	134-135
	Fund Balances of Governmental Funds, Last Ten Fiscal Years	136
	Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	137-138
	General Governmental Expenditures by Function Last Ten Fiscal Years	139
	General Governmental Tax Revenues by Source Last Ten Fiscal Years	140
	General Governmental Revenues by Source Last Ten Fiscal Years	141
	Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years	142
	Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	143
	Principal Property Tax Payers Current Year and Nine Years Ago	144

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Property Tax Levies and Collections Last Ten Fiscal Years	145
Electric Utility Revenue Rates Fiscal Year 2007-2008	146
Electric Utility Revenue Rates Last Ten Fiscal Years	147-148
Principal Electric Revenue Payers Current Year and Nine Years Ago	149
Electric Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	150
Electric Fund Revenues by Source Last Ten Fiscal Years	151
Electric Fund User Charges Last Nine Years	152
Gas Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	153
Gas Fund Revenues by Source Last Ten Fiscal Years	154
Gas Fund User Charges Last Nine Years	155
Water Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	156
Water Fund Revenues by Source Last Ten Fiscal Years	157
Water Fund User Charges Last Nine Years	158

CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Sewer Fund Revenues, Expenses, and Net Income Last Ten Fiscal Years	159
Sewer Fund Revenues by Source Last Ten Fiscal Years	160
Sewer Fund User Charges Last Nine Years	161
Stormwater Fund Revenues, Expenses and Net Income Last Ten Fiscal Years	162
Stormwater Fund Revenues by Source Last Five Fiscal Years	163
Stormwater Fund User Charges Last Five Years	164
Ratios of Outstanding Debt by Type Last Ten Fiscal Years	165
Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years	166
Computation of Direct and Overlapping Bonded Debt as of June 30, 2008	167
Computation of Legal Debt Margin Last Ten Fiscal Years	168
Pledged Revenue Coverage-Water & Sewer Last Ten Fiscal Years	169
Demographic and Economic Statistics Last Ten Years	170
Principal Employers Current Year and Nine Years Ago	171

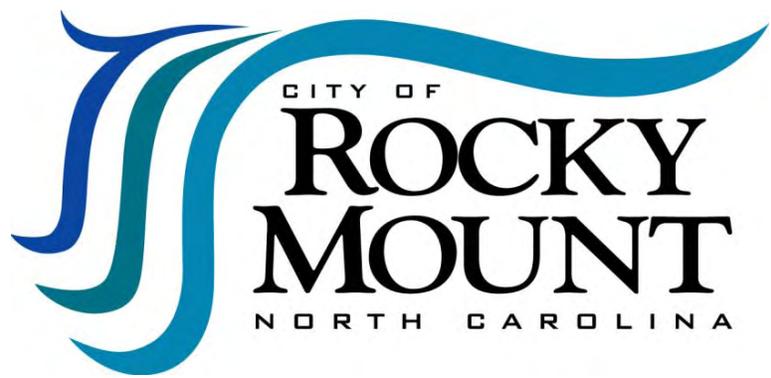
CITY OF ROCKY MOUNT, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

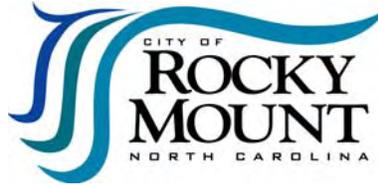
TABLE OF CONTENTS

	<u>Page</u>
Statistical Section (continued):	
Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years	172
Operating Indicators by Function/Program Last Ten Fiscal Years	173
Capital Assets Statistics by Function Last Ten Fiscal Years	174

INTRODUCTORY SECTION

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





October 27, 2009

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, 2009.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is located in eastern North Carolina in the coastal plains area. The City has a population of approximately 59,228, and straddles the Nash and Edgecombe County line, encompassing 43 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The City has a formal operating budget process, which begins in February of each year. The City Council receives the recommended budget in late May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. Legal budgetary control for operating budgets is exercised at the fund (e.g. General) and department (e.g. Police) level. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the City Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 37 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 89. 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 117.

FACTORS AFFECTING FINANCIAL CONDITION

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

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

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 14.3% as of June 30, 2009 compared to last year's rate of 8.9%. It is expected that Rocky Mount may see employment continue to contract due to the slowdown in the U.S. economy and the mounting credit problems, which will hold back growth in the area's consumer-focused industries and financial services.

Recent economic investments include the addition of LS Tractor USA, LLC near Rocky Mount. The company, specializing in heavy equipment parts and supply, will open a headquarters, distribution and manufacturing facility in Nash County. The company plans to invest nearly \$14 million and create 134 new jobs during the next 5 years. LS Tractor will open a Rocky Mount facility that initially will import tractors from South Korea and distribute them nationwide. They will occupy the former Southwire facility located in the Whitaker Business and Industry Center near Rocky Mount. The company then plans to expand in Nash County and begin manufacturing and distributing tractor implements. Nash County will serve as the U.S. headquarters for LS Tractor. In addition, American Food Resources, LLC, a national food wholesale and distribution company, plans to expand its facilities in Nashville, our neighboring city in Nash County. The company manufactures and distributes cheese and dairy products and offers public storage services for canned and refrigerated foods. The company plans a new line of vegetable products and vegetarian soups and chili. They will invest \$3 million and create 70 new jobs during the next 3 years. In addition, HC Composites, a nationwide manufacturer of twin-hull boats, plans to expand its operations in Tarboro, our neighboring city in Edgecombe County. HC Composites, which does business as World Cat, manufactures a variety of catamaran fishing boats in Tarboro, where it has headquarters and employs 60 workers. The company plans to purchase Glacier Bay Catamarans of Seattle and consolidate operations by relocating the Glacier Bay facility to Tarboro. The company will invest \$2.65 million and create 120 jobs in the next 3 years.

Long-term financial planning. The City is committed to a long term community revitalization program to bring back life and energy to its charming historic downtown community. Within the downtown area, is a historic area known locally as the Douglas Block. The implementation of the redevelopment of the Douglas Block which has a budget of over \$10 million is underway. Funding for the project is being provided by federal grants, a Section 108 loan which will be paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. In addition, the City has plans to improve neighborhoods and foster enhanced economic opportunity for distressed local residents and has acquired property for the redevelopment of the Beal Street (Happy Hill) area and is preparing plans for Home Street (Southeast Rocky Mount) and other areas. The City is also working on a

streetscape project that includes transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project is budgeted at over \$5.9 million and will utilize funding from a federal grant, Powell Bill matching funds, and general fund revenues.

The City is currently working on the Phase II annexation plan scheduled to be effective December 31, 2009. New equipment will be purchased to accommodate additional services for the annexed areas, along with the construction of water and sewer infrastructure projects to provide services to the annexed areas. There will be expansion of police and fire services for areas scheduled for annexation. The City is continuing to work on plans for the addition of a new fire station on the west side of the City. This facility will be constructed in the next five years and will enable the Fire department to provide service with response times in existing and annexed territories at levels comparable with the rest of Rocky Mount.

This year presented several challenges for the City due to the economic volatility and downturn which created immediate impacts with respect to general government revenues, including taxes, fees, and investment earnings. In addition, the ongoing increases in the price of fuel and other materials necessitated rate increases by the City. The reduction of water consumption, primarily due to the loss of large commercial and industrial users, resulted in reduced water and sewer revenues to levels below what is necessary to cover the fixed and variable costs of current services and necessary improvements and expansion. The City responded quickly and recommended and implemented target budget reductions in order to offset the projected shortfall in revenues for the current year. The budget reductions included reductions in operating accounts, freezing and maintaining many vacant staff positions, and deferrals of capital projects. The goal was to achieve more than \$4.3 million in budgeted savings which would be available in reserves to make them available for future use. The City's strategy was successful due to the commitment of staff to utilize management practices that emphasize fiscal conservatism and ensure efficient and effective operations.

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. All investments are immediately available. The average yield on all cash and investments was 1.11%. All of the City's investments at June 30, 2009 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2009, the City's cash resources were invested as follows:

Cash on hand	\$ 8,800	.01%
Cash in traditional bank accounts	3,835,901	7.58%
Money Market funds	8,427,867	16.66%
Certificate of Deposit	3,000,000	5.90%
North Carolina Capital Management Trust	<u>35,352,904</u>	69.85%
Total	<u>\$50,625,472</u>	

Risk Management- The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through the purchase of commercial insurance for primary and/or excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control

techniques are practiced by the City including employee safety programs, drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City's insurance coverage and self-insured retentions are more fully described in note 10 of the financial statements.

Pension and other postemployment benefits- The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2007 was 23 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 4.89% for employees not engaged in law enforcement and 4.86% for law enforcement officers.

All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Eligible employees may make voluntary contributions. State statute requires that the City contribute 5% of annual covered salary for all law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 4% of the 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, 206 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2008 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, 2008 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.

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, 2008. This was the fifteenth 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, 2008. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

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

Respectfully submitted,



Stephen W. Raper
City Manager



Amy G. Staton
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rocky Mount
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

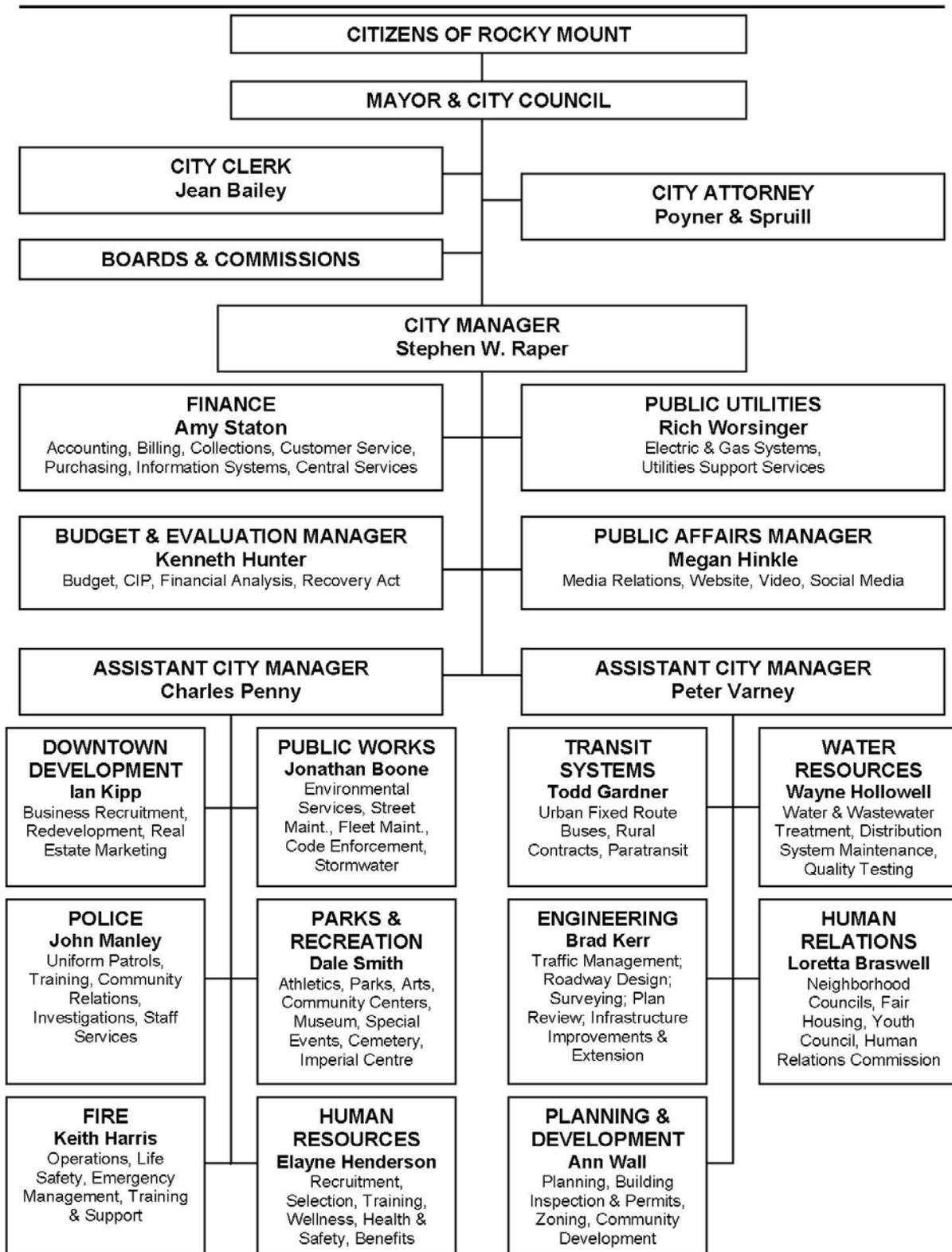
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organizational Chart City of Rocky Mount



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2009

CITY COUNCIL

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

Andre D. Knight

Reuben C. Blackwell, IV

Lois Watkins

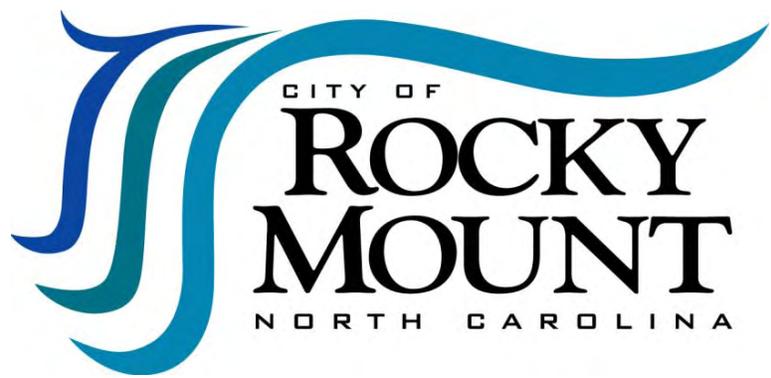
Lamont Wiggins

W.B. Bullock

Chris Carroll Miller

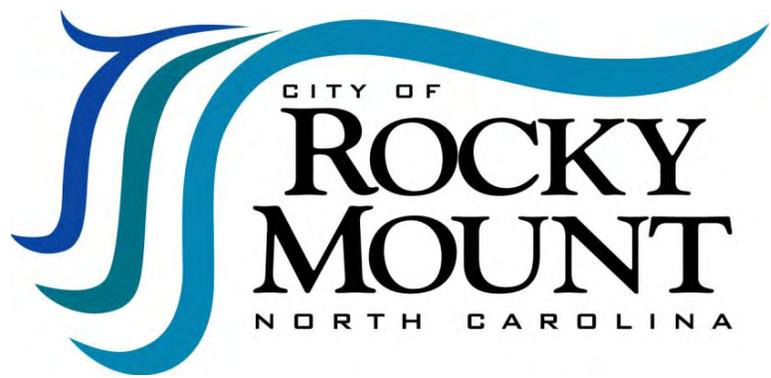
CITY ADMINISTRATION

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



FINANCIAL SECTION

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



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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rocky Mount, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Rocky Mount Theatre, LLC. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Rocky Mount Theatre, LLC is based solely on the reports of the other auditors.

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

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Rocky Mount, North Carolina as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009 on our consideration of the City of Rocky Mount, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

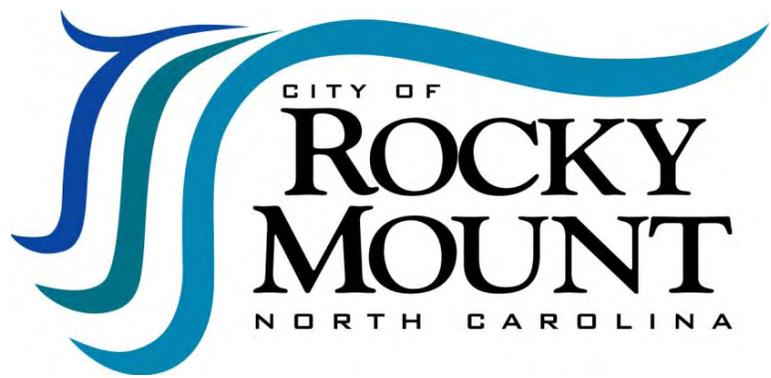
Management's Discussion and Analysis, employer contributions and the notes to the required Schedule of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance and Other Post Employment Benefits are not a required part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

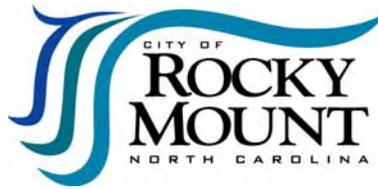
Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Rocky Mount, North Carolina. The introductory section, combining and individual fund financial statements and schedules, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 27, 2009

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, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory section and begins on page 1.

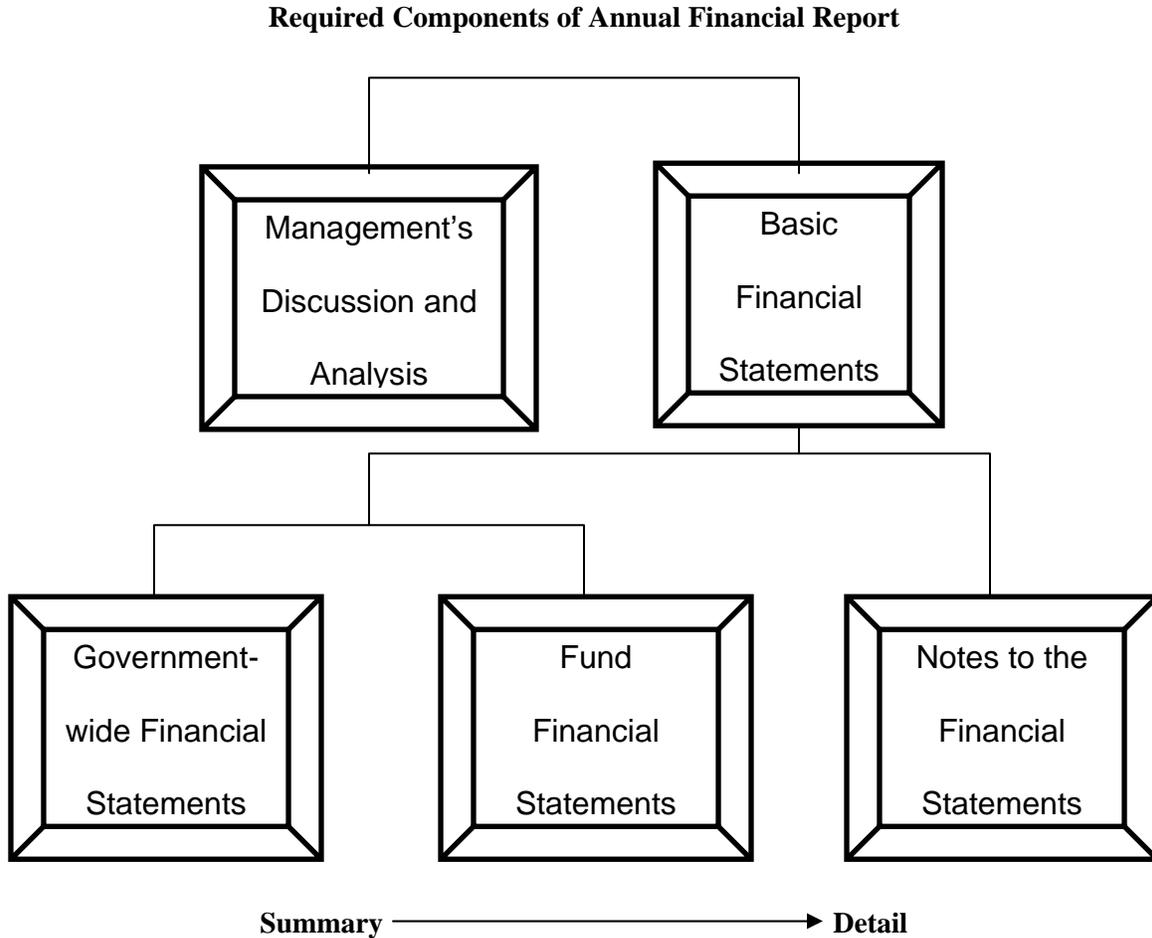
Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$253,489,049. The assets of the governmental activities exceeded liabilities by \$109,913,653 and the assets of the business-type activities exceeded liabilities by \$143,575,396.
- The government's total net assets grew by 2% or an increase of \$4,419,067 due to growth in business-type activities net assets.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$28,715,508, a decrease of \$596,975 from the prior year. Approximately 58.8% of this total amount, or \$16,880,819, is available for spending at the government's discretion (*unreserved & undesignated fund balance*).
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net assets of \$143,575,396, an increase of \$5,852,821.
- At the end of the current fiscal year, total unreserved and undesignated fund balance for the General Fund was \$12,427,688, or 24.2% of total general fund expenditures for the fiscal year.
- The City maintained its A1 bond rating from Moody's Investors Services, and an A+ from Standard and Poor's Corporation for the 12th consecutive year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Figure 1:



Basic Financial Statements

The first two statements (pages 29 through 32) 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 33 through 47) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements are on pages 29 through 32.

Fund Financial Statements

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, gas, water, sewer and 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 48 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 87 of this report.

Government-Wide Financial Analysis of the City of Rocky Mount

Net Assets

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

Figure 2:

The City of Rocky Mount's Statement of Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Business-Type Activities 2009	Business-Type Activities 2008	Total 2009	Total 2008
Current and other assets	\$ 37,661,844	\$ 37,344,755	\$ 45,224,167	\$ 41,561,771	\$ 82,886,011	\$ 78,906,526
Capital assets	98,872,865	96,796,873	128,460,769	125,278,212	\$ 227,333,634	\$ 222,075,085
Total assets	136,534,709	134,141,628	173,684,936	166,839,983	310,219,645	300,981,611
Long-term liabilities	17,944,933	15,787,704	16,575,796	16,443,644	34,520,729	32,231,348
Other liabilities	8,676,123	7,006,517	13,533,744	12,673,764	22,209,867	19,680,281
Total liabilities	26,621,056	22,794,221	30,109,540	29,117,408	56,730,596	51,911,629
Net assets:						
Invested in capital assets,						
net of related debt	85,043,747	82,173,537	115,049,746	109,732,430	200,093,493	191,905,967
Restricted	3,939,523	2,369,078	-	-	3,939,523	2,369,078
Unrestricted	20,930,383	26,804,792	28,525,650	27,990,145	49,456,033	54,794,937
Total net assets	\$ 109,913,653	\$ 111,347,407	\$ 143,575,396	\$ 137,722,575	\$ 253,489,049	\$ 249,069,982

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$253,489,049 as of June 30, 2009. The City's net assets increased by \$4,419,067 for the fiscal year ended June 30, 2009. The largest portion of net assets (79%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net assets (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (19%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

- There are three components of net assets: capital assets, restricted, and unrestricted. There was an increase of \$8,187,526 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 4% of total current year expenses. Restricted net assets increased by \$1,570,445 and unrestricted net assets decreased by \$5,338,904 compared to the prior year. Since total net assets grew by \$4,419,067 or 2% of total current year expenses, the majority of the increase in net assets growth is due to the growth in invested in capital assets due to an increase in capital assets and an increase in lease escrow related to unspent debt proceeds for capital items.
- The total increase in net assets was \$4,419,067 for the year. The total increase in net assets for the year was influenced by growth in charges for services of \$8,331,142 or 5.7% over the prior year. There was an increase in operating grants and contributions of \$684,208 or 11.9% over the prior year which was primarily due to an increase in grant revenue for community revitalization programs.
- The total increase in net assets of \$4,419,067 was influenced by growth in ad valorem tax revenue of \$1,311,188 or 7% over the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.40% for property excluding motor vehicles which is comparable to the statewide average of 98.55% for other municipalities with an electric system and with a population of 50,000 and above. The statewide collection percentage is based on 2008 statewide data and is the most recent published percentage.

Changes in Net Assets

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

Figure 3:

City of Rocky Mount Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		City of Rocky Mount Theatre LLC	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues:								
Program revenues:								
Charges for services	\$ 10,651,673	\$ 11,288,277	\$ 143,050,657	\$ 134,065,498	\$ 153,702,330	\$ 145,353,775	-	-
Operating grants and contributions	6,435,865	5,751,657	-	-	6,435,865	5,751,657	21,410	6,581
Capital grants and contributions	1,313,359	2,813,051	105,536	-	1,418,895	2,813,051	-	-
General revenues:								
Property taxes	19,499,709	18,188,521	-	-	19,499,709	18,188,521	-	-
Other taxes	13,185,765	13,476,549	-	-	13,185,765	13,476,549	-	-
Other	2,230,695	3,598,593	933,065	1,274,137	3,163,760	4,872,730	-	-
Total Revenues	53,317,066	55,116,648	144,089,258	135,339,635	197,406,324	190,456,283	21,410	6,581
Expenses:								
General Government	6,710,733	6,637,786	-	-	6,710,733	6,637,786	-	-
Public safety	23,102,694	21,873,680	-	-	23,102,694	21,873,680	-	-
Parks and Recreation	8,148,677	7,844,487	-	-	8,148,677	7,844,487	-	-
Public Works	8,858,447	8,722,496	-	-	8,858,447	8,722,496	-	-
Engineering	941,982	1,139,983	-	-	941,982	1,139,983	-	-
Public Service	6,349,205	5,629,301	-	-	6,349,205	5,629,301	-	-
Emergency Management	-	-	-	-	-	-	-	-
Hazard Mitigation	-	-	-	-	-	-	-	-
Community Revitalization	2,800,689	1,948,078	-	-	2,800,689	1,948,078	-	-
Interest on long-term debt	488,393	487,768	-	-	488,393	487,768	-	-
Electric	-	-	87,251,619	78,733,182	87,251,619	78,733,182	-	-
Gas	-	-	25,635,724	25,544,219	25,635,724	25,544,219	-	-
Water	-	-	9,793,758	8,715,519	9,793,758	8,715,519	-	-
Sewer	-	-	10,035,368	9,367,159	10,035,368	9,367,159	-	-
Storm Water	-	-	2,869,969	2,911,282	2,869,969	2,911,282	-	-
Other	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	280,562	263,362
Total Expenses	57,400,820	54,283,579	135,586,437	125,271,361	192,987,258	179,554,940	280,562	263,362
Increase in net assets before transfers	(4,083,754)	833,069	8,502,821	10,068,274	4,419,067	10,901,343	(259,152)	(256,781)
Transfers	2,650,000	2,830,090	(2,650,000)	(2,830,090)	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-
Increase in Net Assets	(1,433,754)	3,663,159	5,852,821	7,238,184	4,419,067	10,901,343	(259,152)	(256,781)
Net Assets, July 1	111,347,407	107,684,247	137,722,575	130,484,391	249,069,982	238,168,638	1,037,745	1,294,526
Net Assets, June 30	109,913,653	111,347,407	143,575,396	137,722,575	253,489,049	249,069,982	778,593	1,037,745

Governmental activities. Governmental activities decreased the City’s net assets by \$1,433,754, representing a 32% reduction in the City’s total net assets. Key elements of the current year governmental activities change in net assets are as follows:

- Total revenues for governmental activities decreased \$1,799,582 (3%) compared to the prior year. Capital grants and contributions had a decrease of \$1,499,692 (53%) in revenue compared to the prior year. The majority of this amount was in Parks & recreation due to receiving approximately \$550,000 less in contributions for the Veterans Memorial and in spending less on the Soccer Complex and receiving less in reimbursement in the current year by approximately \$480,000 compared to the prior year. Public service had a decrease of approximately \$350,000 in capital grants for the current year due to completion of the Crossing at 64 project. Community revitalization had a decrease of approximately \$103,000 due to completion of the Brownfield cleanup projects. There was a decrease in investment earnings in the amount of \$543,376 (55%) compared to the prior year. However, as mentioned, property tax revenue increased by \$1,311,188 or 7% compared to the prior year due to an increase in the tax rate from \$0.55 to \$0.58 per \$100 of assessed value.
- Total expenses for governmental activities increased \$3,177,241 or 6%. Community revitalization expenses increased by \$852,611 or 44% due to the commitment to community redevelopment and several projects including the Douglas Block and Beal Street projects. Public safety expenses increased by \$1,229,014 or 6% primarily related to increased employee compensation and benefits due to the implementation of the compensation and pay plan and filling many vacant positions in the police department and increasing the number of officers related to annexation. Public service expenses increased by \$719,904 or 13% as a result of the increased spending of Powell Bill funds. Other increases were reasonable compared to the prior year.

Figure 4:

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

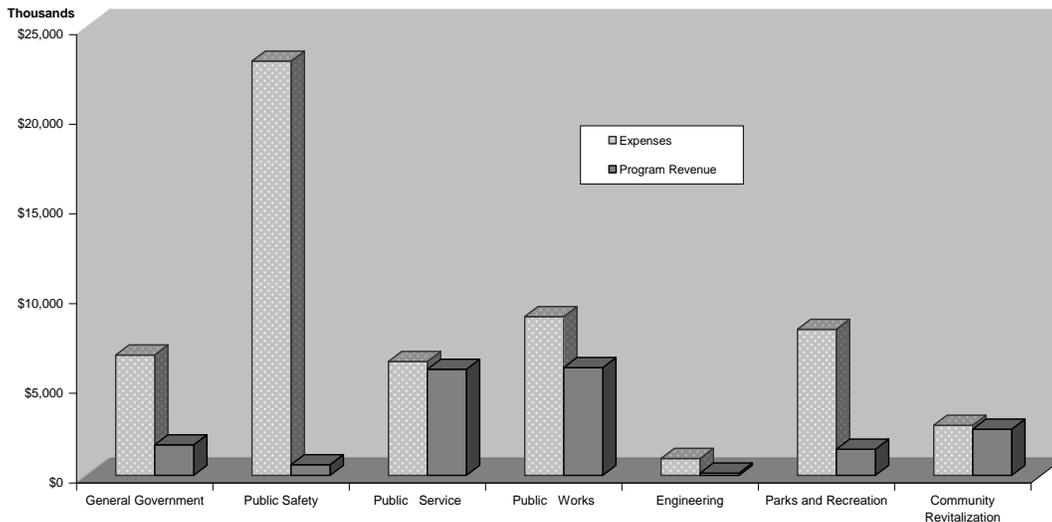
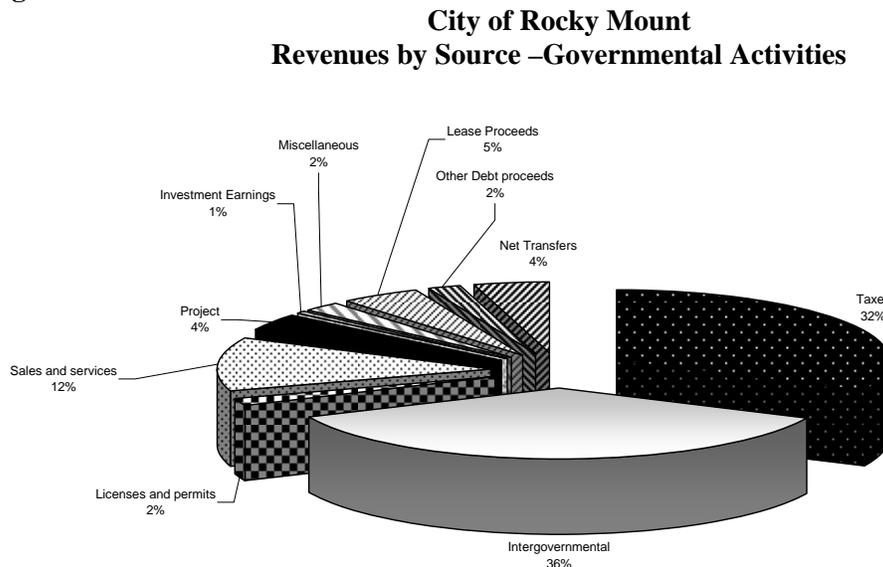


Figure 5:



Business-type activities: Business-type activities increased the City’s net assets by \$5,852,821, representing 132% of the growth in the City’s total net assets. Key elements of the current year’s activities are as follows:

- Total revenues for business-type activities increased \$8,749,623 (6%) compared to the prior year. Charges for services for business-type activities increased by a combined \$8,985,159 or 7% over the prior year. Electric revenue increased 9%. There was a rate increase in March 2009 in electric rates by 10% due to rate increases we received from our power provider that necessitated us passing along this increase to our customers. Natural gas revenue increased 4% over the prior year due to an increase in consumption by 6% compared to the prior year. Water revenue was comparable to the prior year even with the prior year 2.5% rate increase implemented in March 2008 due to the reduction of water consumption by 3%, primarily due to the loss of commercial and industrial users. Sewer revenue increased 4% over the prior year. This was in part due to a 5% rate increase implemented in March 2008, with the current year realizing the benefit of the increased rate for 12 months compared to the prior year. Stormwater revenue increased 8% due to an increase in consumption by 9% compared to the prior year mainly related to new customers as a result of the annexation.
- Operating expenses for business-type activities combined increased by 8% over the prior year. The operating expenses for electric increased by 11% over the prior year due to increases in wholesale costs for power purchases. Expenses for water increased 12% due to increased operating costs in purchasing chemicals. Expenses for sewer increased 7% primarily due to an increase in operating expenses. The natural gas and stormwater operating expenses were comparable to the prior year.

- The business-type activities transferred net funds to the general fund totaling \$2,650,000. This is a decrease of \$180,090 compared to the prior year.
- The net change in assets for all business-type activities for the current fiscal year was an increase of \$5,852,821. All business-type operations with the exception of Water resulted in net operating income after transfers. The change in net assets for Electric, Gas, Water, Sewer, and Stormwater was \$2,159,318, \$3,274,134, \$(683,514), \$694,375, and \$408,508 respectively.

Figure 6:

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

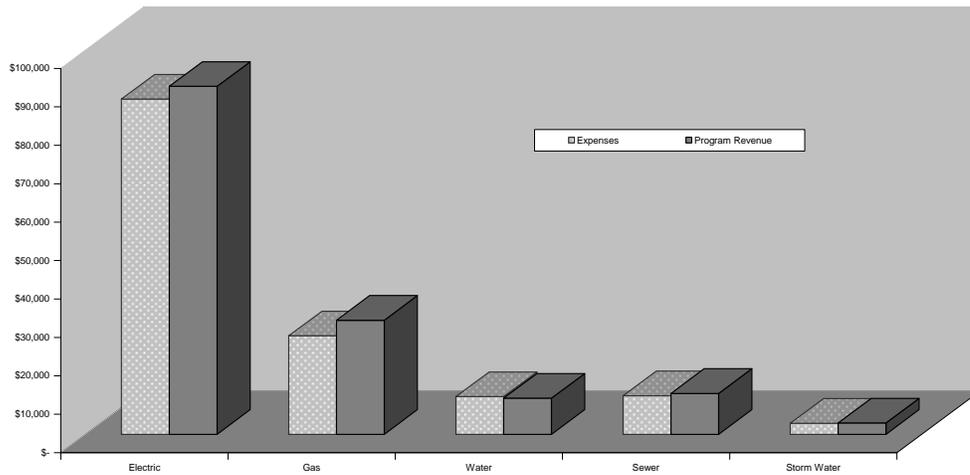
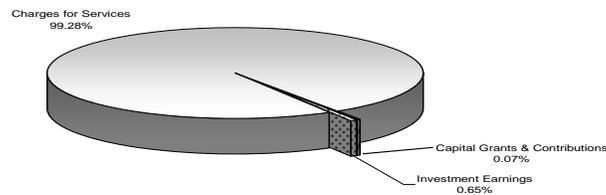


Figure 7:

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



Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$28,715,508, a decrease of \$596,975 in comparison with the prior year. Of this amount, \$18,203,717 is unreserved fund balance. A portion of the unreserved fund balance is designed for subsequent year's expenditures. The unreserved fund balance that is undesignated is available for spending at the government's discretion. This amount is \$16,880,819 or 59% of the total fund balance. Of the amount of unreserved fund balance, \$1,836,760 is dedicated to special revenue projects and \$2,616,371 is dedicated to capital projects. The remainder of fund balance is not available for new spending because it has already been committed.

The general fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13,750,586, while total general fund balance was \$23,868,667. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27% of total General Fund expenditures, while total fund balance represents 46% of that same amount.

At June 30, 2009, the governmental funds of the City reported a combined fund balance of \$28,715,508, a 2% decrease over last year. Included in this change in fund balance is a decrease in fund balance in the General Fund by \$2,429,167 with increases in fund balance in total for the Special Revenue Funds by \$532,792 and Capital Project Funds by \$1,299,400. Within the Special Revenue Funds, the fund balance for Crime/Safety Control and Economic Development funds decreased due to incurring expenses in the current year while the revenue sources were provided in the prior year due to advanced funding on the projects.

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

The actual operating revenues for the General Fund were less than the budget amount by \$2,696,227. Intergovernmental revenues were less than budget by \$1,020,981 due to the impact the economic downturn and related decrease in consumer spending had on the amount received for local option sales tax. Sales and services were \$864,641 less than budget mainly due to shortfalls in solid waste and recycling charges, transfer station revenues, and traffic maintenance charges. Investment earnings for the general fund were less than budget by \$494,354 due to the fact that returns on investments were considerably lower than expected for the current year.

Licenses and permits revenues were \$203,202 less than budget mainly due to shortfalls in building permits and inspection fees due to the downtown in the economy. The only category to show an increase compared to budget was in miscellaneous revenues due to unexpected revenues in demolition assessments.

The actual operating expenses for the General Fund were less than the budget amount by \$7,566,501. Of this amount, \$3,598,350 or 6.4% of the General Fund budget were planned reductions to offset the anticipated shortfall in revenue. The most significant savings were realized due to money appropriated to projects that was unspent at fiscal year end. The Finance department has expenditures less than the budget of \$1,627,986. Of this amount, approximately \$1,182,000 was allocated for implementation of new software and computer equipment. The implementation of the new utility billing software system comprised a large portion of this amount, but the project was delayed during the current year. There were also funds related to overtime wages for the implementation of the utility billing system that were unspent at the end of the year due to the project deferral. The fuel contingency was budgeted at \$158,000 in the Finance department and it was not needed during the year which was part of the unspent funds at year end. The Human Resources department has expenditures less than the budget of \$1,438,715 due to not having to use the \$600,000 budgeted for the provisional pay adjustment to cover salary increases and not using the reserved budget of \$754,080 intended to be used to cover the costs of the implementation of the compensation and pay study. The Public works department has expenditures less than the budget of \$1,252,803 in part due to approximately \$958,194 for unspent capital items within the Public works department. Of the amount allocated \$754,975 was re-appropriated to 2010. In addition, there was approximately \$213,062 in operating expenses unspent at year end related to repairs and recycling supplies. There were savings within Public service of \$2,400,431 for capital outlay as a result of not spending allocated Powell Bill funds. Of this amount, \$1,681,508 was re-appropriated to fiscal year 2010 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 assets at the end of the fiscal year amounted to \$12,958,159 for the Electric Fund, \$9,608,533 for the Gas Fund, \$2,233,691 for the Water Fund, \$1,755,967 for the Sewer Fund, and \$1,969,300 for the Stormwater Fund. The total growth or decrease of net assets for each fund was \$2,159,318, \$3,274,134, \$(683,514), \$694,375, and \$408,508 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, totals \$227,333,634 (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

- Five Environmental Services crane carrier sideloaders \$998,391
- Street resurfacing \$889,684
- Fire Department Rosenbauer custom pumper \$381,289
- Seventeen Police Department vehicles \$373,743
- Land acquisition for Beal Street Redevelopment area \$308,916

- Battleboro Park improvements \$225,332
- Six Transit vans \$221,721
- City Hall/Police headquarters reroofing \$171,593
- Two Street Department heavy duty trucks \$163,364
- Street Department Caterpillar track loader crawler unit \$159,200
- Fire Station #1 reroofing \$156,019
- Construction in progress for Douglas Block design/construction \$744,742
- Construction in progress for Phase II Downtown Streetscape Design \$410,953
- Construction in progress for Senior Center HVAC renovations \$198,700
- Construction in progress for English/Nicodemus road extension project \$166,666

Proprietary Funds:

Additions

- Electric 3-phase power transformer \$748,310
- Electric substation #s 2 and 9 upgrades \$661,121
- Three Electric heavy duty trucks \$528,023
- Gas main installation \$512,150
- Sewer easement acquisitions \$275,440
- Sewer land acquisition-Log Cabin Homes \$266,874
- Gas meters \$256,046
- Sewer heavy duty truck \$254,090
- Electric distribution lines underground and overhead \$483,223
- Electric meters \$225,805
- Water LM Stemmary building roof repairs \$224,763
- Two Stormwater heavy duty trucks \$201,943
- Construction in progress for Sewer annexation areas 4B/8B sewer improvements \$192,186. Total expended over the life of the project \$259,946
- Construction in progress for Electric Northern Connector project \$184,770
- Construction in progress for Sewer Maple Creek outfall extension project \$161,386. Total expended over the life of the project \$269,411.

Figure 8:

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 7,015,555	\$ 6,639,019	\$ 1,624,907	\$ 1,018,399	\$ 8,640,461	\$ 7,657,418
Building	33,629,089	34,139,457	40,126,191	40,961,615	73,755,280	75,101,072
Improvements other than buildings	15,964,037	16,298,004	3,040,587	3,480,886	19,004,624	19,778,890
Machinery and equipment	9,178,598	8,387,946	20,608,944	18,894,936	29,787,542	27,282,882
Infrastructure	31,424,458	31,105,079	-	-	31,424,458	31,105,079
Distribution and collection systems	-	-	61,389,763	60,396,834	61,389,763	60,396,834
Construction in progress	1,661,128	227,368	1,670,378	525,542	3,331,506	752,910
Total Capital Assets (net of accumulated depreciation)	\$ 98,872,865	\$ 96,796,873	\$ 128,460,769	\$ 125,278,212	\$ 227,333,634	\$ 222,075,085

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

Long-term Debt. As of June 30, 2009, the City had total bonded debt outstanding of \$1,769,470 (net of deferred amount on refunding). All of the bonded debt is related to Proprietary Fund operations and is considered to be self-supporting. The City's total bonded debt decreased by \$1,799,470 (50%) during the year, due to principal payments on existing bonded debt. No new bonded debt was issued. The City also enters into installment lease financing arrangements which have 3 – 15 year terms for both the governmental and business-type activities. At June 30, 2009, the City had installment leases outstanding of \$23,582,490. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$1,100,000 for the purchase of a former YMCA facility that is being used by the City for our Senior Center, and the City has debt outstanding in the amount of \$1,305,000 for a HUD loan that is being used to finance the Douglas Block redevelopment project. 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 wastewater treatment plant. As of June 30, 2009, the City had outstanding revolving loans of \$4,033,543.

Figure 9:

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ -	\$ -	\$ 1,769,470	\$ 3,568,940	\$ 1,769,470	\$ 3,568,940
Installment lease payable	13,366,200	13,323,336	10,216,290	7,826,068	23,582,490	21,149,404
Other debt	2,405,000	1,300,000	-	-	2,405,000	1,300,000
Revolving Loans	-	-	4,033,543	4,255,537	4,033,543	4,255,537
Total	\$ 15,771,200	\$ 14,623,336	\$ 16,019,303	\$ 15,650,545	\$ 31,790,503	\$ 30,273,881

As mentioned in the financial highlights section of this document, the City maintained for the 12th consecutive year, its A1 bond rating from Moody's Investor Service and A+ rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City and contributes to keeping interest costs low on the City's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$264,620,736.

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 2010.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 14.3% at June 30, 2009. It is expected that Rocky Mount may see employment continue to contract due to the slowdown in the U.S. economy and the mounting credit problems, which will hold back growth in the area's consumer-focused industries and financial services.
- Inflation has subsided from the volatility experienced in the past two years, though its impact is still reflected in material costs that are still significantly higher compared to prior years. The "lag-time" this region experienced in the past with respect to implication of national trends no longer exists. The worsening of the global and national economies have created an immediate impact locally.
- Sales tax revenue decreased 6.5% compared to the prior year. Retail sales for the Rocky Mount metropolitan statistical area are at a historical low. This reduction in consumer spending is related to the economic downturn.

Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2010, the budget decreased 0.43% 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. We expect the State shared revenues to show no growth. Powell Bill revenue is expected to decline about 1-2%, and utility franchise fees and beer and wine tax revenue is expected to stay the same. Telecommunications tax revenue is expected to increase by 3-4% due to improved collection and the inclusion of all customers. No growth is expected for cable franchise fees. Sales tax revenue is projected to not increase, though improved economic activity may produce some benefit. A required adjustment of our ad valorem tax rates for real and personal property in accordance with mandated property revaluations that went into effect January 1, 2009, for both Nash and Edgecombe counties resulted in our tax rate being decreased from the rate of \$0.58, per \$100 of assessed value to \$0.55, per \$100 of assessed value. The revenue neutral rate was \$0.53 per \$100 of assessed value.

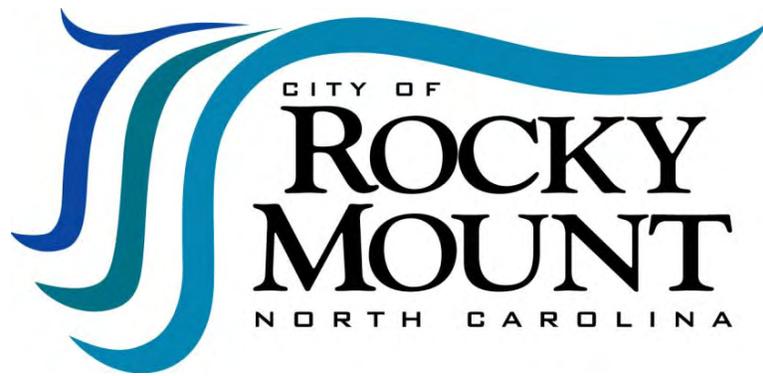
Budgeted expenditures in the governmental activities also decreased 0.43%. The combination of economic downturn and uncertainty, ensuring quality service delivery, upholding our commitments to employees, and expanding services through annexation was important criteria in completing the budget. Reductions to the budget include the freezing of several vacant positions, deferral of projects to future years, and elimination of growth or actual reductions in other operating expenses. Employee compensation, including funding compensation and benefits, increased as a result of a full year implementation of the pay and compensation study that was implemented in January 2009. Funds have been included for pay for performance increases for employees, but at a reduced level. This program is essential to retaining employees and encouraging their improved performance. There is no increase in health or life insurance premiums. Increases in claims necessitated an evaluation of health insurance alternatives, and the City has offered our employees two options for coverage: the current PPO, or a Health Savings Account (HSA). We are holding 25 vacant positions in the general fund, which is an increase of 7 compared to the prior year. The budget provides for the upgrade of 1 position from part-time to full-time in the General Fund. The Finance Department will reassign 2 positions within its Business Office to increase resources available for collections. Capital project funding was limited; however, there is funding to replace ten patrol vehicles in the Police department. The process of patrol vehicle replacement is necessary to operate a dependable fleet of patrol vehicles to maintain a consistent presence in neighborhoods and to respond to emergencies. Also, the City is providing funds to initiate the planning and design of a new fire station on the west side of the City. This facility will be constructed in the next five years and will enable the Fire Department to provide service with response times in existing and annexed territories at levels comparable with the rest of Rocky Mount. Within the Powell Bill fund, there is continual funding for new construction and repair of sidewalks in addition to street resurfacing.

Business-type Activities: The business-type funds' budget increased 3.9% for the fiscal year ending June 30, 2010. Rate increases were necessary in the water and sewer funds to cover the service delivery cost demands of both operations, as well as increases associated with necessary improvements to systems and expansions to accommodate customer growth. The combined rate adjustments will increase average residential utility bills for water and sewer by about 14%. These increases are similar to those being implemented by other systems within the state facing similar challenges, and our rates will remain at or below statewide averages for comparable jurisdictions. There is no electric or gas rate increases for fiscal year ending June 30, 2010; however, increases are expected if the City's suppliers increase their rates. There is no increase to stormwater rates. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses for business-type activities increased 3.9%. The largest increases are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines to annexed areas. We are holding 12 positions vacant in the water resources funds and 8 in stormwater. This is an increase of 13 over the prior year. The budget provides for the addition of 1 new position in public utilities. Capital projects were limited. Funding is provided for distribution system improvements, transmission pole replacement, funds for the continuation of the automated meter-reading project, continuing the cast iron main replacement program, hydrilla management, changes to water treatment processes to reduce chemical costs, new gas lines and equipment, water and sewer extension projects associated with responding to development and annexation, continued rehabilitation of existing sewer mains, and drainage improvements. In the Gas fund, reserves will be used to purchase a new utility billing software system and cover the costs of hardware and project management.

Requests for Information

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



BASIC FINANCIAL STATEMENTS



CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets:				
Current Assets:				
Cash and cash equivalents/ investments	\$ 23,395,787	\$ 26,369,664	\$ 49,765,451	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	1,835,336	-	1,835,336	-
Taxes-other	9,451	-	9,451	-
Customers	701,798	13,583,834	14,285,632	100
Other governmental agencies	4,039,024	-	4,039,024	-
Notes receivable	-	16,036	16,036	-
Assessments	1,843,715	253,149	2,096,864	-
Other	3,028,688	158,512	3,187,200	-
Inventories	346,676	2,221,107	2,567,783	-
Restricted cash and investments	2,461,369	2,608,280	5,069,649	106,414
Total current assets	<u>37,661,844</u>	<u>45,210,582</u>	<u>82,872,426</u>	<u>106,614</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	8,676,683	3,295,284	11,971,967	6,581
Depreciable, net	90,196,182	125,165,485	215,361,667	8,974,153
Total capital assets	<u>98,872,865</u>	<u>128,460,769</u>	<u>227,333,634</u>	<u>8,980,734</u>
Other Noncurrent Assets:				
Other	-	-	-	56,299
Unamortized bond issuance costs	-	13,585	13,585	-
Total other noncurrent assets	<u>-</u>	<u>13,585</u>	<u>13,585</u>	<u>56,299</u>
Total noncurrent assets	<u>98,872,865</u>	<u>128,474,354</u>	<u>227,347,219</u>	<u>9,037,033</u>
Total assets	<u>136,534,709</u>	<u>173,684,936</u>	<u>310,219,645</u>	<u>9,143,647</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	3,621,581	8,644,342	12,265,923	64,191
Current accrued compensated absences	1,909,851	445,582	2,355,433	-
Current maturities of long-term debt	3,144,691	4,443,820	7,588,511	-
Total current liabilities	<u>8,676,123</u>	<u>13,533,744</u>	<u>22,209,867</u>	<u>64,191</u>

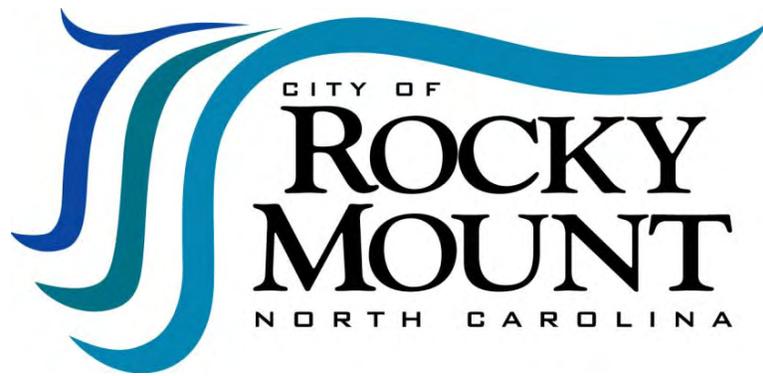
The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Noncurrent Liabilities:				
Deposits	347,588	4,092,840	4,440,428	-
Unearned revenue	659,476	-	659,476	-
Accrued compensated absences	1,753,517	297,924	2,051,441	-
Long-term debt	<u>15,184,352</u>	<u>12,185,032</u>	<u>27,369,384</u>	<u>8,300,863</u>
Total noncurrent liabilities	<u>17,944,933</u>	<u>16,575,796</u>	<u>34,520,729</u>	<u>8,300,863</u>
Total liabilities	<u>26,621,056</u>	<u>30,109,540</u>	<u>56,730,596</u>	<u>8,365,054</u>
Net Assets:				
Invested in capital assets, net of related debt	85,043,747	115,049,746	200,093,493	672,079
Restricted for:				
Streets	3,939,523	-	3,939,523	-
Theatre	-	-	-	106,414
Unrestricted	<u>20,930,383</u>	<u>28,525,650</u>	<u>49,456,033</u>	<u>100</u>
Total net assets	<u>\$ 109,913,653</u>	<u>\$ 143,575,396</u>	<u>\$ 253,489,049</u>	<u>\$ 778,593</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, 2009**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,710,733	\$ 1,678,291	\$ 28,389	\$ -
Public safety	23,102,694	334,178	263,320	-
Public works	8,858,447	5,994,818	13,794	-
Engineering	941,982	9,934	118,871	-
Parks and recreation	8,148,677	1,057,313	93,233	310,675
Public service	6,349,205	1,577,139	3,367,394	975,613
Community revitalization	2,800,689	-	2,550,864	27,071
Interest on long-term debt	488,393	-	-	-
Total governmental activities	<u>57,400,820</u>	<u>10,651,673</u>	<u>6,435,865</u>	<u>1,313,359</u>
Business-Type Activities:				
Electric	87,251,619	90,529,005	-	-
Gas	25,635,724	29,689,679	-	-
Water	9,793,758	9,271,691	-	105,536
Sewer	10,035,368	10,641,539	-	-
Storm water management	2,869,969	2,918,743	-	-
Total business-type activities	<u>135,586,437</u>	<u>143,050,657</u>	<u>-</u>	<u>105,536</u>
Total primary government	<u>192,987,257</u>	<u>153,702,330</u>	<u>6,435,865</u>	<u>1,418,895</u>
Component Unit:				
City of Rocky Mount Theatre, LLC	280,562	-	21,410	-
Total component unit	<u>\$ 280,562</u>	<u>\$ -</u>	<u>\$ 21,410</u>	<u>\$ -</u>

General Revenues:

Taxes:

Ad valorem
Local option tax
Franchise tax
Telecommunication tax
Miscellaneous
Investment earnings
Gain on sale of assets
Transfers
Total general revenues and transfers

Change in net assets

Net Assets:

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

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets

Primary Government				
Governmental Activities	Business-Type Activities	Total		City of Rocky Mount Theatre, LLC
\$ (5,004,053)	\$ -	\$ (5,004,053)	\$ -	-
(22,505,196)	-	(22,505,196)	-	-
(2,849,835)	-	(2,849,835)	-	-
(813,177)	-	(813,177)	-	-
(6,687,456)	-	(6,687,456)	-	-
(429,059)	-	(429,059)	-	-
(222,754)	-	(222,754)	-	-
(488,393)	-	(488,393)	-	-
<u>(38,999,923)</u>	<u>-</u>	<u>(38,999,923)</u>	<u>-</u>	<u>-</u>
-	3,277,386	3,277,386	-	-
-	4,053,955	4,053,955	-	-
-	(416,530)	(416,530)	-	-
-	606,171	606,171	-	-
-	48,774	48,774	-	-
-	<u>7,569,756</u>	<u>7,569,756</u>	-	-
<u>(38,999,923)</u>	<u>7,569,756</u>	<u>(31,430,167)</u>	<u>-</u>	<u>-</u>
-	-	-	(259,152)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (259,152)</u>	<u>-</u>
19,499,709	-	19,499,709	-	-
9,436,526	-	9,436,526	-	-
2,806,275	-	2,806,275	-	-
942,964	-	942,964	-	-
1,722,519	-	1,722,519	-	-
436,902	933,065	1,369,967	-	-
71,274	-	71,274	-	-
2,650,000	(2,650,000)	-	-	-
<u>37,566,169</u>	<u>(1,716,935)</u>	<u>35,849,234</u>	<u>-</u>	<u>-</u>
(1,433,754)	5,852,821	4,419,067	(259,152)	-
<u>111,347,407</u>	<u>137,722,575</u>	<u>249,069,982</u>	<u>1,037,745</u>	<u>-</u>
<u>\$ 109,913,653</u>	<u>\$ 143,575,396</u>	<u>\$ 253,489,049</u>	<u>\$ 778,593</u>	<u>-</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 20,869,298	\$ 2,526,489	\$ 23,395,787
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,827,539	7,797	1,835,336
Other taxes	9,451	-	9,451
Customers	701,798	-	701,798
Other governmental agencies	2,697,396	1,341,628	4,039,024
Due from other funds	35,113	-	35,113
Other	2,624,640	320,677	2,945,317
Assessments	1,843,715	-	1,843,715
Inventories	346,676	-	346,676
Restricted cash and investments	533,935	1,408,146	1,942,081
Total assets	<u>\$ 31,489,561</u>	<u>\$ 5,604,737</u>	<u>\$ 37,094,298</u>
Liabilities and Fund Balances:			
Accounts payable and accrued expenditures	\$ 2,723,339	\$ 552,437	\$ 3,275,776
Due to other funds	-	35,113	35,113
Deposits	330,039	17,549	347,588
Deferred revenues	4,567,516	152,797	4,720,313
Total liabilities	<u>7,620,894</u>	<u>757,896</u>	<u>8,378,790</u>
Fund Balances:			
Reserved for:			
Inventories	346,676	-	346,676
State statute	5,831,882	393,710	6,225,592
Powell Bill	3,939,523	-	3,939,523
Unreserved:			
Designated for subsequent year's expenditures	1,322,898	-	1,322,898
Undesignated:			
Reported in:			
General fund	12,427,688	-	12,427,688
Special revenue	-	1,836,760	1,836,760
Capital projects	-	2,616,371	2,616,371
Total fund balances	<u>23,868,667</u>	<u>4,846,841</u>	<u>28,715,508</u>
Total liabilities and fund balances	<u>\$ 31,489,561</u>	<u>\$ 5,604,737</u>	<u>\$ 37,094,298</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009**

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

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

Ending fund balance-governmental funds	\$ 28,715,508
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	98,872,865
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,060,837
Assets and liabilities of the risk management fund used by management to account for certain insurance costs are included in governmental activities in the statement of net assets.	524,828
Compensated absences not expected to be materially liquidated with expendable available resources	(3,663,368)
Long-term liabilities, principally installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	<u>(18,597,017)</u>
Net assets of governmental activities	<u>\$ 109,913,653</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 19,350,632	\$ 60,017	\$ 19,410,649
Intergovernmental	16,833,357	5,376,143	22,209,500
Licenses and permits	950,558	-	950,558
Sales and service	7,442,379	-	7,442,379
Project	-	2,369,044	2,369,044
Investment earnings	406,646	30,256	436,902
Miscellaneous	1,115,049	196,368	1,311,417
Total revenues	<u>46,098,621</u>	<u>8,031,828</u>	<u>54,130,449</u>
Expenditures:			
Current:			
General government	5,752,575	252,543	6,005,118
Public safety	22,608,380	936,003	23,544,383
Public works	10,339,464	-	10,339,464
Engineering	1,176,520	-	1,176,520
Parks and recreation	7,148,563	873,833	8,022,396
Public service	1,609,717	4,538,610	6,148,327
Community revitalization	-	2,800,689	2,800,689
Debt service	2,818,543	648,984	3,467,527
Total expenditures	<u>51,453,762</u>	<u>10,050,662</u>	<u>61,504,424</u>
Revenues over (under) expenditures	<u>(5,355,141)</u>	<u>(2,018,834)</u>	<u>(7,373,975)</u>
Other Financing Sources (Uses):			
Transfers in	3,250,512	1,612,538	4,863,050
Transfers out	(1,487,538)	(725,512)	(2,213,050)
Debt financing issued	-	1,305,000	1,305,000
Installment purchase financing issued	1,163,000	1,659,000	2,822,000
Total other financing sources (uses)	<u>2,925,974</u>	<u>3,851,026</u>	<u>6,777,000</u>
Net change in fund balances	(2,429,167)	1,832,192	(596,975)
Fund balance:			
Beginning of year, July 1	<u>26,297,834</u>	<u>3,014,649</u>	<u>29,312,483</u>
End of year, June 30	<u>\$ 23,868,667</u>	<u>\$ 4,846,841</u>	<u>\$ 28,715,508</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, 2009**

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)	\$ (596,975)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.</p>	
Capital outlay	6,945,548
Depreciation	(4,552,453)
Basis of disposed/transferred capital assets	(317,102)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	(104,962)
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.	(165,534)
<p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Other post employment benefit net obligation	(1,103,091)
Debt issuance	(4,127,000)
Debt retirement	2,979,134
A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	<u>(391,319)</u>
Changes in net assets of governmental activities	<u>\$ (1,433,754)</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 19,595,000	\$ 19,595,000	\$ 19,350,632	\$ (244,368)
Intergovernmental	17,846,320	17,854,338	16,833,357	(1,020,981)
Licenses and permits	1,153,760	1,153,760	950,558	(203,202)
Sales and service	8,223,520	8,307,020	7,442,379	(864,641)
Investment earnings	901,000	901,000	406,646	(494,354)
Miscellaneous	916,730	983,730	1,115,049	131,319
Total revenues	<u>48,636,330</u>	<u>48,794,848</u>	<u>46,098,621</u>	<u>(2,696,227)</u>
Expenditures:				
Current:				
General Government				
Mayor and council	1,398,630	918,475	661,900	256,575
City clerk	240,360	222,060	198,642	23,418
Community services	544,920	561,074	555,926	5,148
City manager	597,400	626,766	624,630	2,136
Public affairs	137,090	136,084	86,522	49,562
Downtown development	119,750	155,217	125,747	29,470
Finance	1,371,680	1,833,895	205,909	1,627,986
Central services	874,500	861,842	731,663	130,179
Planning and development	1,564,680	1,561,454	1,513,564	47,890
Human resources	2,232,650	2,258,240	819,525	1,438,715
Human relations	272,300	272,300	228,547	43,753
Total general government	<u>9,353,960</u>	<u>9,407,407</u>	<u>5,752,575</u>	<u>3,654,832</u>
Public Safety:				
Police	12,810,160	12,824,934	12,697,459	127,475
Fire	9,591,120	9,980,413	9,910,921	69,492
Total public safety	<u>22,401,280</u>	<u>22,805,347</u>	<u>22,608,380</u>	<u>196,967</u>
Public Works:				
Administration	184,390	188,883	188,413	470
Street and row maintenance	2,025,770	2,066,196	1,945,475	120,721
Housing code enforcement	911,550	991,296	954,511	36,785
Environmental service	7,007,100	7,688,787	6,770,013	918,774
Fleet maintenance	432,450	657,105	481,052	176,053
Total public works	<u>10,561,260</u>	<u>11,592,267</u>	<u>10,339,464</u>	<u>1,252,803</u>
Engineering:				
Administration	544,580	498,780	478,482	20,298
Traffic	646,740	716,259	698,038	18,221
Total engineering	<u>1,191,320</u>	<u>1,215,039</u>	<u>1,176,520</u>	<u>38,519</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, 2009**

	Budgeted Amounts		Actual Amounts	Variance Positive/(Negative)
	Original	Final		
Parks and Recreation:				
Administration	353,800	355,442	355,280	162
Athletics	457,320	455,260	454,918	342
Cultural arts	653,310	576,853	567,731	9,122
Amusements and special events	126,020	128,765	128,762	3
Museum	491,250	448,950	444,988	3,962
Parks maintenance	1,646,830	1,675,762	1,674,879	883
Cemetery operations	398,820	401,436	400,234	1,202
Outdoor programs	252,170	223,521	219,550	3,971
Neighborhood programs	593,930	626,379	624,675	1,704
Senior programs	372,520	399,901	398,745	1,156
Sports complex	307,450	400,246	400,070	176
Imperial Centre	1,377,900	1,478,823	1,478,731	92
Total parks and recreation	<u>7,031,320</u>	<u>7,171,338</u>	<u>7,148,563</u>	<u>22,775</u>
Public service	<u>2,235,130</u>	<u>4,010,148</u>	<u>1,609,717</u>	<u>2,400,431</u>
Debt service	<u>2,501,240</u>	<u>2,818,717</u>	<u>2,818,543</u>	<u>174</u>
Total expenditures	<u>55,275,510</u>	<u>59,020,263</u>	<u>51,453,762</u>	<u>7,566,501</u>
Revenues over (under) expenditures	<u>(6,639,180)</u>	<u>(10,225,415)</u>	<u>(5,355,141)</u>	<u>4,870,274</u>
Other Financing Sources (Uses):				
Transfers in	3,050,000	3,150,512	3,250,512	100,000
Transfers out	(868,620)	(1,573,371)	(1,487,538)	85,833
Installment purchase financing used	1,807,800	1,985,165	1,163,000	(822,165)
Total other financing sources (uses)	<u>3,989,180</u>	<u>3,562,306</u>	<u>2,925,974</u>	<u>(636,332)</u>
Fund balance appropriated	<u>2,650,000</u>	<u>6,663,109</u>	<u>-</u>	<u>(6,663,109)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(2,429,167)</u>	<u>\$ (2,429,167)</u>
Fund Balance:				
Beginning of year, July 1			<u>26,297,834</u>	
End of year, June 30			<u>\$ 23,868,667</u>	

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

JUNE 30, 2009

	Business-Type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 10,492,758	\$ 9,347,029	\$ 3,186,420	\$ 1,238,352
Restricted cash and investments	1,274,421	8,086	79,348	1,153,878
Due from other funds	-	84,926	-	-
Receivables - net:				
Assessments	-	-	106,122	147,027
Customers	10,612,003	830,312	753,253	1,252,309
Notes receivable	-	-	10,849	5,187
Other	110,707	19,127	3,561	25,017
Inventories	1,992,163	106,108	115,318	7,518
Total current assets	<u>24,482,052</u>	<u>10,395,588</u>	<u>4,254,871</u>	<u>3,829,288</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	448,579	8,727	1,031,354	1,224,575
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>29,068,241</u>	<u>10,579,424</u>	<u>29,313,688</u>	<u>54,818,073</u>
Total capital assets (net of accumulated depreciation)	<u>29,516,820</u>	<u>10,588,151</u>	<u>30,345,042</u>	<u>56,042,648</u>
Other Noncurrent Assets				
Due from other funds	-	915,074	-	-
Unamortized bond issuance costs	-	-	5,855	7,730
Total other noncurrent assets	<u>-</u>	<u>915,074</u>	<u>5,855</u>	<u>7,730</u>
Total noncurrent assets:	<u>29,516,820</u>	<u>11,503,225</u>	<u>30,350,897</u>	<u>56,050,378</u>
Total assets	<u>\$ 53,998,872</u>	<u>\$ 21,898,813</u>	<u>\$ 34,605,768</u>	<u>\$ 59,879,666</u>
Liabilities and Net Assets:				
Current Liabilities:				
Accounts payable and accrued expenditures	\$ 7,434,780	\$ 628,830	\$ 246,765	\$ 256,752
Due to other funds	-	-	42,463	42,463
Current accrued compensated absences	170,314	35,765	133,980	54,124
Current maturities of long-term debt	<u>1,098,241</u>	<u>163,139</u>	<u>1,172,122</u>	<u>1,783,645</u>
Total current liabilities	<u>8,703,335</u>	<u>827,734</u>	<u>1,595,330</u>	<u>2,136,984</u>
Noncurrent Liabilities:				
Deposits	2,324,414	917,843	819,308	8,025
Due to other funds	-	-	457,537	457,537
Accrued compensated absences	125,615	43,709	53,285	40,376
Noncurrent portion of long-term debt	<u>2,720,912</u>	<u>190,606</u>	<u>2,214,606</u>	<u>6,797,851</u>
Total noncurrent liabilities	<u>5,170,941</u>	<u>1,152,158</u>	<u>3,544,736</u>	<u>7,303,789</u>
Total liabilities	<u>13,874,276</u>	<u>1,979,892</u>	<u>5,140,066</u>	<u>9,440,773</u>
Net Assets:				
Invested in capital assets, net of related debt	27,166,437	10,310,388	27,232,011	48,682,926
Unrestricted	<u>12,958,159</u>	<u>9,608,533</u>	<u>2,233,691</u>	<u>1,755,967</u>
Total net assets	<u>\$ 40,124,596</u>	<u>\$ 19,918,921</u>	<u>\$ 29,465,702</u>	<u>\$ 50,438,893</u>

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

Exhibit G

		Governmental	
		Activities	
<u>Other</u>		<u>Internal</u>	
<u>Nonmajor</u>	<u>Total</u>	<u>Service</u>	
<u>Fund</u>	<u>Business-Type</u>	<u>Fund</u>	
<u>Storm Water</u>	<u>Activities</u>	<u>Risk</u>	
<u>Management</u>	<u>Enterprise</u>	<u>Management</u>	
\$ 2,105,105	\$ 26,369,664	\$ -	
92,547	2,608,280	519,288	
-	84,926	-	
-	253,149	-	
135,957	13,583,834	-	
-	16,036	-	
100	158,512	83,371	
-	2,221,107	-	
<u>2,333,709</u>	<u>45,295,508</u>	<u>602,659</u>	
582,049	3,295,284	-	
<u>1,386,059</u>	<u>125,165,485</u>	<u>-</u>	
<u>1,968,108</u>	<u>128,460,769</u>	<u>-</u>	
-	915,074	-	
-	13,585	-	
-	928,659	-	
<u>1,968,108</u>	<u>129,389,428</u>	<u>-</u>	
<u>\$ 4,301,817</u>	<u>\$ 174,684,936</u>	<u>\$ 602,659</u>	
\$ 77,215	\$ 8,644,342	\$ 77,831	
-	84,926	-	
51,399	445,582	-	
<u>226,673</u>	<u>4,443,820</u>	<u>-</u>	
<u>355,287</u>	<u>13,618,670</u>	<u>-</u>	
23,250	4,092,840	-	
-	915,074	-	
34,939	297,924	-	
<u>261,057</u>	<u>12,185,032</u>	<u>-</u>	
<u>319,246</u>	<u>17,490,870</u>	<u>-</u>	
<u>674,533</u>	<u>31,109,540</u>	<u>-</u>	
1,657,984	115,049,746	-	
<u>1,969,300</u>	<u>28,525,650</u>	<u>524,828</u>	
<u>\$ 3,627,284</u>	<u>\$ 143,575,396</u>	<u>\$ 524,828</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Business-Type Activities			
	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 89,004,211	\$ 29,655,658	\$ 9,010,135	\$ 10,162,577
Licenses and permits	-	-	51,032	29,911
Other operating revenues	1,524,794	34,021	212,202	449,051
Total operating revenues	<u>90,529,005</u>	<u>29,689,679</u>	<u>9,273,368</u>	<u>10,641,539</u>
Operating Expenses:				
Distribution systems	82,009,713	25,121,020	-	-
Treatment plants	-	-	6,354,599	5,600,438
Engineering	1,160,035	-	-	-
Support services	683,943	-	2,038,420	2,413,362
Energy services	1,269,975	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	1,561,177	337,499	1,243,726	1,715,240
Total operating expenses	<u>86,684,842</u>	<u>25,458,519</u>	<u>9,636,746</u>	<u>9,729,040</u>
Operating income (loss)	<u>3,844,162</u>	<u>4,231,160</u>	<u>(363,377)</u>	<u>912,499</u>
Nonoperating Revenues (Expenses):				
Other	-	-	103,859	-
Investment earnings	481,932	220,179	83,016	88,204
Interest expense	(59,766)	(8,207)	(157,012)	(306,328)
Appropriation to school system	(507,010)	(168,998)	-	-
Total nonoperating revenues (expenses)	<u>(84,844)</u>	<u>42,974</u>	<u>29,863</u>	<u>(218,125)</u>
Income (loss) before transfers	<u>3,759,318</u>	<u>4,274,134</u>	<u>(333,514)</u>	<u>694,375</u>
Transfers in	-	-	-	-
Transfers out	(1,600,000)	(1,000,000)	(350,000)	-
Total transfers	<u>(1,600,000)</u>	<u>(1,000,000)</u>	<u>(350,000)</u>	<u>-</u>
Change in net assets	2,159,318	3,274,134	(683,514)	694,375
Net Assets:				
Beginning of year - July 1	37,965,278	16,644,787	30,149,216	49,744,518
End of year - June 30	<u>\$ 40,124,596</u>	<u>\$ 19,918,921</u>	<u>\$ 29,465,702</u>	<u>\$ 50,438,893</u>

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

Exhibit H

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities Internal Service Fund Risk Management</u>
\$ 2,918,643	\$ 140,751,224	\$ 5,280,428
-	80,943	-
100	2,220,168	-
<u>2,918,743</u>	<u>143,052,334</u>	<u>5,280,428</u>
-	107,130,733	-
-	11,955,037	-
-	1,160,035	-
620,755	5,756,480	-
-	1,269,975	-
2,035,717	2,035,717	-
-	-	4,784,584
-	-	887,163
193,255	5,050,897	-
<u>2,849,727</u>	<u>134,358,874</u>	<u>5,671,747</u>
<u>69,016</u>	<u>8,693,461</u>	<u>(391,319)</u>
-	103,859	-
59,734	933,065	-
(20,242)	(551,556)	-
-	(676,008)	-
<u>39,492</u>	<u>(190,640)</u>	<u>-</u>
<u>108,508</u>	<u>8,502,821</u>	<u>(391,319)</u>
300,000	300,000	-
-	(2,950,000)	-
<u>300,000</u>	<u>(2,650,000)</u>	<u>-</u>
408,508	5,852,821	(391,319)
<u>3,218,776</u>	<u>137,722,575</u>	<u>916,147</u>
<u>\$ 3,627,284</u>	<u>\$ 143,575,396</u>	<u>\$ 524,828</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 89,744,586	\$ 29,961,902	\$ 9,383,017	\$ 10,549,034
Payments to suppliers for goods and services	(79,908,331)	(24,119,524)	(5,572,198)	(5,815,735)
Payments to or on behalf of employees	(4,250,433)	(1,230,950)	(2,762,707)	(2,206,063)
Net cash provided (used) by operating activities	<u>5,585,822</u>	<u>4,611,428</u>	<u>1,048,112</u>	<u>2,527,236</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds - net	(1,600,000)	(1,000,000)	(350,000)	-
Advances from (loans to) other funds	-	(1,000,000)	500,000	500,000
Appropriation to school system	(507,010)	(168,998)	-	-
Net cash provided (used) by noncapital financing activities	<u>(2,107,010)</u>	<u>(2,168,998)</u>	<u>150,000</u>	<u>500,000</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,356,055)	(1,050,223)	(682,079)	(313,655)
Interest paid	(59,766)	(8,207)	(144,152)	(260,073)
Insurance recovery	-	-	103,860	-
Principal payments on long-term debt	(774,019)	(142,189)	(1,163,294)	(1,692,065)
Net cash provided (used) by capital and related financing activities	<u>(2,189,840)</u>	<u>(1,200,619)</u>	<u>(1,885,665)</u>	<u>(2,265,793)</u>
Cash Flows From Investing Activities interest on investments:				
Investment earnings	<u>481,932</u>	<u>220,179</u>	<u>83,016</u>	<u>88,204</u>
Net cash provided (used) by investing activities	<u>481,932</u>	<u>220,179</u>	<u>83,016</u>	<u>88,204</u>
Net increase in cash and cash equivalents/investments	<u>1,770,904</u>	<u>1,461,990</u>	<u>(604,537)</u>	<u>849,646</u>
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	<u>9,996,275</u>	<u>7,893,125</u>	<u>3,870,305</u>	<u>1,542,584</u>
End of year, June 30	<u>\$ 11,767,179</u>	<u>\$ 9,355,115</u>	<u>\$ 3,265,768</u>	<u>\$ 2,392,230</u>
Cash and cash equivalents/investments	\$ 10,492,758	\$ 9,347,029	\$ 3,186,420	\$ 1,238,352
Restricted cash and investments	<u>1,274,421</u>	<u>8,086</u>	<u>79,348</u>	<u>1,153,878</u>
	<u>\$ 11,767,179</u>	<u>\$ 9,355,115</u>	<u>\$ 3,265,768</u>	<u>\$ 2,392,230</u>
Supplemental disclosures of noncash investing/financing activities:				
Amortization of bond issuance cost	\$ -	\$ -	\$ 5,855	\$ 7,730
Amortization of deferred refunding, cost	\$ -	\$ -	\$ 7,005	\$ 38,525
Proceeds from capital lease	<u>\$ 2,452,000</u>	<u>\$ 135,000</u>	<u>\$ 125,000</u>	<u>\$ 1,445,000</u>

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

Exhibit I
Page 1 of 2

Other Nonmajor Fund		Governmental Activities
Storm Water Management	Total	Internal Service Fund
		Risk Management
\$ 2,801,600	\$ 142,440,139	\$ 5,202,486
(849,038)	(116,264,826)	(5,697,179)
(1,711,293)	(12,161,446)	-
<u>241,269</u>	<u>14,013,867</u>	<u>(494,693)</u>
300,000	(2,650,000)	-
-	-	-
-	(676,008)	-
<u>300,000</u>	<u>(3,326,008)</u>	<u>-</u>
(454,444)	(3,856,456)	-
(20,242)	(492,441)	-
-	103,860	-
(282,204)	(4,053,771)	-
<u>(756,890)</u>	<u>(8,298,808)</u>	<u>-</u>
59,734	933,065	-
<u>59,734</u>	<u>933,065</u>	<u>-</u>
(155,887)	3,322,116	(494,693)
<u>2,353,539</u>	<u>25,655,828</u>	<u>1,013,981</u>
<u>\$ 2,197,652</u>	<u>\$ 28,977,944</u>	<u>\$ 519,288</u>
\$ 2,105,105	\$ 26,369,664	\$ -
92,547	2,608,280	519,288
<u>\$ 2,197,652</u>	<u>\$ 28,977,944</u>	<u>\$ 519,288</u>
<u>\$ -</u>	<u>\$ 13,585</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 45,530</u>	<u>\$ -</u>
<u>\$ 220,000</u>	<u>\$ 4,377,000</u>	<u>\$ -</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009**

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 3,844,162	\$ 4,231,160	\$ (363,377)	\$ 912,499
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	1,561,177	337,499	1,243,726	1,715,240
Change in Assets and Liabilities:				
(Increase) decrease in receivables and assessments	(845,673)	263,450	90,677	(93,131)
(Increase) decrease in inventories	285,803	(3,940)	21,152	1,131
Increase (decrease) in accounts payable and accrued expenses	536,212	(277,360)	(94,777)	(53,059)
Increase (decrease) in deposits	61,257	8,779	18,946	620
Increase (decrease) in accrued compensated absences and other accrued liabilities	142,884	51,840	131,765	43,936
Net cash provided (used) by operating activities	<u>\$ 5,585,822</u>	<u>\$ 4,611,428</u>	<u>\$ 1,048,112</u>	<u>\$ 2,527,236</u>

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

Exhibit I
Page 2 of 2

Other Nonmajor Fund		Governmental Activities
Storm Water Management	Total	Internal Service Fund
		Risk Management
\$ 69,016	\$ 8,693,461	\$ (391,319)
193,255	5,050,897	-
(73,336)	(658,013)	(77,942)
-	304,146	-
26,240	137,256	(25,432)
(43,804)	45,798	-
-	-	-
69,898	440,323	-
\$ 241,269	\$ 14,013,867	\$ (494,693)

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 340,724
Liabilities:	
Accounts payable	15
Due to other government agency	340,709
Total Liabilities	<u>\$ 340,724</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, 2009

1. Summary of Significant Accounting Policies

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

Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 59,228 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

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

City of Rocky Mount Theatre, LLC

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

Basis of Presentation

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

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

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

The City reports the following major governmental fund:

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

The City reports the following 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Additionally, the City reports the following fund types:

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

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

Measurement Focus and Basis of Accounting

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Revenues of the City's internal service fund are generally premiums charged to its employees for insurance coverage. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Nash and Edgecombe Counties are responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2008, through February 2009, apply to the fiscal year ended June 30, 2009. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

Use of Estimates

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

Budgetary Data

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

Appropriations are made at the departmental level and amended as necessary by City Council. The budget information shown in the basic financial statements reports the original and final budget ordinance. The original budget data represents the annual budget ordinance adopted by the City Council for the year ended June 30, 2009. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2009. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Funds with Multi-Year Budgets

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

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

Encumbrances

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

Statement of Cash Flows

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

Cash and Cash Equivalents

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Assets, Liabilities and Fund Equity

Restricted Investments

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

Ad Valorem Taxes Receivable

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

Allowances for Doubtful Accounts

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

Due To/From Other Funds

Amounts reported at June 30, 2009, as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventories

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Capital Assets

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

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

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

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

Long-Term Obligations

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

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

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

Compensated Absences

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

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

Net Assets/Fund Balances

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

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

Unreserved

Designated for Subsequent Year's Expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2009-2010 budget ordinance.

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

Interfund Transfers

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

2. Deposits and Investments

Deposits

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

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

At June 30, 2009, the City's deposits had a carrying amount of \$19,814,120 and a bank balance of approximately \$20,674,646. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$19,424,646 in interest-bearing deposits was covered by collateral held under the Pooling Method. The carrying amount of the deposits for the City of Rocky Mount Theatre, LLC was \$106,514 and the bank balance was the same.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Investments

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

At June 30, 2009, the City had \$35,352,904 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust	\$ 35,352,904	\$ 35,352,904	N/A

Total cash and investments of \$55,175,824 reported by the City include cash on hand of \$8,800 and \$340,724 held by the City in agency funds.

At June 30, 2009, the City had \$4,550,361 in escrow accounts because the amount was restricted as to use. The deposits are to be used to purchase equipment under installment purchase agreements. The City had \$519,288 restricted for use in the Internal Service Fund.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

3. Accounts Receivable and Allowances for Doubtful Accounts

Allowance for Doubtful Accounts

The receivables shown in the balance sheet and the Statement of Net Assets at June 30, 2009, are net of the following allowances for doubtful accounts:

Fund	June 30, 2009
Governmental Activities:	
Ad valorem taxes	\$ 1,029,080
Planning loans	8,643,944
Miscellaneous	250,000
Customers	98,440
Total governmental activities	10,021,464
 Business-Type Activities:	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	66,327
Total business-type activities	2,211,495
 Total allowances for doubtful accounts	 \$ 12,232,959

Accounts Receivable

At June 30, 2009, funds due from other governmental agencies and planning loans consisted of the following:

	General	Nonmajor Governmental	Total
Sales tax refund	\$ 748,650	\$ -	\$ 748,650
Vehicle fee	208,486	-	208,486
Local option tax	1,530,997	-	1,530,997
Grants receivable	30,392	1,049,150	1,079,542
Franchise tax	152,756	-	152,756
Library receivable	-	292,336	292,336
Miscellaneous receivable	26,115	142	26,257
	\$ 2,697,396	\$ 1,341,628	\$ 4,039,024

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2009, was as follows:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,639,020	\$ 376,535	\$ -	\$ -	\$ 7,015,555
Construction in progress	227,368	1,592,810	-	(159,050)	1,661,128
Total capital assets not being depreciated	6,866,388	1,969,345	-	(159,050)	8,676,683
Capital Assets Being Depreciated:					
Land improvements	19,598,770	408,546	35,366	45,956	20,017,906
Buildings	49,337,602	599,848	281,112	113,093	49,769,431
Equipment	35,455,210	3,062,255	1,212,618	742,979	38,047,826
Infrastructure	41,409,874	905,223	-	-	42,315,097
Total capital assets being depreciated	145,801,456	4,975,872	1,529,096	902,028	150,150,260
Less Accumulated Depreciation for:					
Land improvements	3,285,654	753,039	15,048	-	4,023,645
Buildings	11,115,832	784,775	75,571	-	11,825,036
Equipment	26,575,521	2,171,428	1,121,375	742,647	28,368,221
Infrastructure	10,304,795	585,846	-	-	10,890,641
Airport	4,589,169	257,366	-	-	4,846,535
Total accumulated depreciation	55,870,971	\$ 4,552,454	\$ 1,211,994	\$ 742,647	59,954,078
Total capital assets being depreciated, net	89,930,485				90,196,182
Governmental activities capital assets, net	\$ 96,796,873				\$ 98,872,865

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

General government	\$ 800,536
Public works	1,161,979
Public safety	792,430
Transit	685,925
Planning	50,350
Recreation	1,061,234
Total	\$ 4,552,454

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Capital asset activity for the business-type activities for the year ended June 30, 2009, was as follows:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Electric Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 112,441	\$ -	\$ -	\$ -	\$ 112,441
Construction in progress	77,110	259,028	-	-	336,138
Total capital assets not being depreciated	<u>189,551</u>	<u>259,028</u>	<u>-</u>	<u>-</u>	<u>448,579</u>
Capital Assets Being Depreciated:					
Land improvements	404,303	4,605	-	-	408,908
Buildings	7,895,485	56,728	-	-	7,952,213
Equipment	28,602,307	2,143,596	(1,299,958)	(98,760)	29,347,185
Infrastructure	21,578,163	1,496,283	-	-	23,074,446
Total capital assets being depreciated	<u>58,480,258</u>	<u>3,701,212</u>	<u>(1,299,958)</u>	<u>(98,760)</u>	<u>60,782,752</u>
Less Accumulated Depreciation:					
Land improvements	179,452	14,539	-	-	193,991
Buildings	4,542,418	147,380	-	-	4,689,798
Equipment	21,429,930	963,271	(1,148,140)	(98,392)	21,146,669
Infrastructure	5,248,066	435,987	-	-	5,684,053
Total accumulated depreciation	<u>31,399,866</u>	<u>1,561,177</u>	<u>(1,148,140)</u>	<u>(98,392)</u>	<u>31,714,511</u>
Total capital assets being depreciated, net	<u>27,080,392</u>	<u>2,140,035</u>	<u>(151,818)</u>	<u>(368)</u>	<u>29,068,241</u>
Electric Fund capital assets, net	<u>\$ 27,269,943</u>	<u>\$ 2,399,063</u>	<u>\$ (151,818)</u>	<u>\$ (368)</u>	<u>\$ 29,516,820</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Gas Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 8,727	\$ -	\$ -	\$ -	\$ 8,727
Total capital assets not being depreciated	<u>8,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,727</u>
Capital Assets Being Depreciated:					
Land improvements	-	11,425	-	-	11,425
Buildings	270,042	58,508	-	-	328,550
Equipment	6,226,707	416,355	(145,360)	(165,179)	6,332,523
Infrastructure	7,497,176	722,900	-	-	8,220,076
Total capital assets being depreciated	<u>13,993,925</u>	<u>1,209,188</u>	<u>(145,360)</u>	<u>(165,179)</u>	<u>14,892,574</u>
Less Accumulated Depreciation:					
Land improvements	-	38	-	-	38
Buildings	93,794	5,170	-	-	98,964
Equipment	3,341,934	232,568	(121,395)	(165,179)	3,287,928
Infrastructure	826,498	99,722	-	-	926,220
Total accumulated depreciation	<u>4,262,226</u>	<u>337,498</u>	<u>(121,395)</u>	<u>(165,179)</u>	<u>4,313,150</u>
Total capital assets being depreciated, net	<u>9,731,699</u>	<u>871,690</u>	<u>(23,965)</u>	<u>-</u>	<u>10,579,424</u>
Gas Fund capital assets, net	<u>\$ 9,740,426</u>	<u>\$ 871,690</u>	<u>\$ (23,965)</u>	<u>\$ -</u>	<u>\$ 10,588,151</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Water Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 805,580	\$ -	\$ -	\$ -	\$ 805,580
Construction in progress	20,061	215,081	-	(9,368)	225,774
Total capital assets not being depreciated	825,641	215,081	-	(9,368)	1,031,354
Capital Assets Being Depreciated:					
Land improvements	9,095,375	-	-	-	9,095,375
Buildings	12,045,197	224,763	-	-	12,269,960
Equipment	5,736,880	367,199	(25,109)	(20,157)	6,058,813
Infrastructure	25,864,053	-	-	9,368	25,873,421
Total capital assets being depreciated	52,741,505	591,962	(25,109)	(10,789)	53,297,569
Less Accumulated Depreciation:					
Land improvements	5,925,390	437,939	-	-	6,363,329
Buildings	4,829,966	241,822	-	-	5,071,788
Equipment	4,695,430	217,576	(25,109)	(20,193)	4,867,704
Infrastructure	7,334,671	346,379	-	10	7,681,060
Total accumulated depreciation	22,785,457	1,243,716	(25,109)	(20,183)	23,983,881
Total capital assets being depreciated, net	29,956,048	(651,754)	-	9,394	29,313,688
Water Fund capital assets, net	\$ 30,781,689	\$ (436,673)	\$ -	\$ 26	\$ 30,345,042

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Sewer Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 91,651	\$ 542,314	\$ -	\$ -	\$ 633,965
Construction in progress	<u>201,219</u>	<u>389,391</u>	<u>-</u>	<u>-</u>	<u>590,610</u>
Total capital assets not being depreciated	<u>292,870</u>	<u>931,705</u>	<u>-</u>	<u>-</u>	<u>1,224,575</u>
Capital Assets Being Depreciated:					
Land improvements	2,180,163	-	-	-	2,180,163
Buildings	43,736,907	-	(19,500)	-	43,717,407
Equipment	20,146,975	834,560	(17,792)	(365,827)	20,597,916
Infrastructure	<u>26,130,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,130,682</u>
Total capital assets being depreciated	<u>92,194,727</u>	<u>834,560</u>	<u>(37,292)</u>	<u>(365,827)</u>	<u>92,626,168</u>
Less Accumulated Depreciation:					
Land improvements	2,110,606	3,119	-	-	2,113,725
Buildings	13,584,730	772,137	(11,890)	-	14,344,977
Equipment	13,137,630	591,926	(17,792)	(365,827)	13,345,937
Infrastructure	<u>7,655,397</u>	<u>348,059</u>	<u>-</u>	<u>-</u>	<u>8,003,456</u>
Total accumulated depreciation	<u>36,488,363</u>	<u>1,715,241</u>	<u>(29,682)</u>	<u>(365,827)</u>	<u>37,808,095</u>
Total capital assets being depreciated, net	<u>55,706,364</u>	<u>(880,681)</u>	<u>(7,610)</u>	<u>-</u>	<u>54,818,073</u>
Sewer Fund capital assets, net	<u>\$ 55,999,234</u>	<u>\$ 51,024</u>	<u>\$ (7,610)</u>	<u>\$ -</u>	<u>\$ 56,042,648</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Storm Water Management Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ -	\$ 64,194	\$ -	\$ -	\$ 64,194
Construction in progress	<u>227,152</u>	<u>290,703</u>	<u>-</u>	<u>-</u>	<u>517,855</u>
Total capital assets not being depreciated	<u>227,152</u>	<u>354,897</u>	<u>-</u>	<u>-</u>	<u>582,049</u>
Capital Assets Being Depreciated:					
Land improvements	17,300	-	-	-	17,300
Buildings	65,000	-	-	-	65,000
Equipment	2,306,055	357,461	(119,883)	(93,056)	2,450,577
Infrastructure	<u>413,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,126</u>
Total capital assets being depreciated	<u>2,801,481</u>	<u>357,461</u>	<u>(119,883)</u>	<u>(93,056)</u>	<u>2,946,003</u>
Less Accumulated Depreciation:					
Land improvements	807	691	-	-	1,498
Buildings	108	1,300	-	-	1,408
Equipment	1,519,064	185,797	(81,968)	(93,056)	1,529,837
Infrastructure	<u>21,734</u>	<u>5,467</u>	<u>-</u>	<u>-</u>	<u>27,201</u>
Total accumulated depreciation	<u>1,541,713</u>	<u>193,255</u>	<u>(81,968)</u>	<u>(93,056)</u>	<u>1,559,944</u>
Total capital assets being depreciated, net	<u>1,259,768</u>	<u>164,206</u>	<u>(37,915)</u>	<u>-</u>	<u>1,386,059</u>
Total Storm Water Management Fund capital assets, net	<u>\$ 1,486,920</u>	<u>\$ 519,103</u>	<u>\$ (37,915)</u>	<u>\$ -</u>	<u>\$ 1,968,108</u>

Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2008, was as follows:

	<u>December 31, 2007</u>	<u>Increases</u>	<u>Retirements</u>	<u>December 31, 2008</u>
Governmental Activities:				
Capital assets	<u>\$ 9,191,323</u>	<u>\$ -</u>	<u>\$ 210,589</u>	<u>\$ 8,980,734</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2009, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts and vouchers	\$ 1,587,644	\$ 8,106,111	\$ 9,693,755
Claims incurred but not reported	267,974	65,000	332,974
Accrued payroll and related liabilities	1,765,963	435,671	2,201,634
Customer deposits	347,588	4,092,840	4,440,428
Accrued interest payable	-	37,560	37,560
	<u> </u>	<u> </u>	<u> </u>
Total accounts payable and accrued liabilities	<u>\$ 3,969,169</u>	<u>\$ 12,737,182</u>	<u>\$ 16,706,351</u>

6. Pension Plan Obligations

Local Government Employees' Retirement System

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

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.89% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$1,859,460, \$1,735,789, and \$1,666,302 respectively.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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, 2008, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>150</u>
Total	<u><u>165</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.

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, 2009, was determined as part of the December 31, 2008, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-employment benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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	\$	277,705
Interest on net pension obligation		42,989
Adjustment to annual required contribution		<u>(36,251)</u>
Annual pension cost		284,443
Contributions made		<u>251,010</u>
Increase in net pension obligation		33,433
Net pension obligation, beginning of year		<u>592,945</u>
Net pension obligation, end of year	\$	<u><u>626,378</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of of APC Contributed	Net Pension Obligation
6/30/2007	\$ 234,714	104.65%	\$ 603,325
6/30/2008	251,719	104.12%	592,945
6/30/2009	284,443	88.25%	626,378

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$2,831,425, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,831,425.

The covered payroll (annual payroll of active employees covered by the plan) was \$6,540,884 and the ratio of the UAAL to the covered payroll was 43.29 percent.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Supplemental Retirement Income Plan

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

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

The City's contributions were calculated using a covered payroll amount of \$6,929,040 for employees engaged in law enforcement and \$29,667,875 for all other full-time employees. Total contributions for the year ended June 30, 2009, were \$1,533,167, which consisted of \$346,452 for employees engaged in law enforcement and \$1,186,715 for all other employees. Voluntary contributions made by all City employees totaled \$724,633.

Fireman's and Rescue Squad Workers' Pension Fund

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

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$17,413 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2009.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Other Post-Employment Benefits

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

Membership of the post employment health benefit plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	206
Active members	<u>826</u>
	<u><u>1,032</u></u>

Funding Policy. The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 30 years of service or that retire with approved disability retirement, the City pays 100% of the cost for pre-65 health care coverage for the retire. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees will cease to be eligible for group health insurance at age 65. The retiree will be responsible for paying the cost of dependent coverage if dependent coverage is elected.

The current annual required contribution rate (ARC) is 8.4% of annual covered payroll. For fiscal year 2009, the City contributed \$1,471,803, or 4.2% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2009, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

Summary of Significant Accounting Policies

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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	\$ 2,926,108
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	2,926,108
Contributions made	1,471,803
Increase (decrease) in net OPEB obligation	1,454,305
Net OPEB obligation, beginning of year	1,069,707
Net OPEB obligation, end of year	\$ 2,524,012

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

For Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
2008	\$ 2,532,013	57.75%	\$ 1,069,707
2009	2,926,108	50.30%	1,454,305

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$37,133,950. The covered payroll (annual payroll of active employees covered by the plan) was \$34,732,711, and the ratio of the UAAL to the covered payroll was 106.9%. 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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, 2008, 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 3.75% and (b) a 10.50% - 5.00% medical cost trend rate with 2016, 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, 2008, was 30 years.

Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2009, the City made contributions to the State for death benefits of \$37,716. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.09% 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

The City contributed a total of \$1,533,167 to the plans for the year ended June 30, 2009.

7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$948,226 for the year ended June 30, 2009. The City leases computer equipment and property under non-cancelable operating leases. The future minimum lease payments under these agreements are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 893,680
2011	850,000
2012	850,000
2013	850,000
2014	850,000
2015-2019	4,250,000
2020-2024	<u>4,250,000</u>
	<u>\$ 12,793,680</u>

8. Deferred/Unearned Revenues

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

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable (General Fund)	\$ 1,827,539	\$ -
Accounts receivable (General Fund)	258,972	-
Assesments (General Fund)	1,821,529	-
Accounts receivable (other governmental funds)	152,797	-
Prepaid items (General Fund)	<u>659,476</u>	<u>659,476</u>
Total	<u>\$ 4,720,313</u>	<u>\$ 659,476</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

9. Commitments

Construction

The City had outstanding commitments at June 30, 2009, of approximately \$381,350 for Senior Center HVAC renovations, \$319,785 for the Douglas Block design/construction, \$124,065 for phase II Downtown Streetscape design, \$49,527 for the second Point of Delivery Station and \$47,339 for the Northern Connector project. A portion of these improvements are being financed with installment notes.

Purchases

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

10. Risk Management

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

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

<u>Line of Coverage</u>	<u>City's Net Retention</u>
Workers' compensation and employers' liability	\$ 600,000
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	25,000

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

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

The City currently reports its risk management activities and insurance costs in the operating funds to which such expenses apply. Claims expenditures falling within the retention coverage's are generally reported when amounts are paid or, in the event of significant losses, when such amounts are probable and the amounts can be determined. The City has recorded an accrual totaling \$332,974 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$323,500.

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 2009 and 2008 are summarized as follows:

<u>Possible Claims and Judgments</u>	<u>2009</u>	<u>2008</u>
Balance, beginning	\$ 843,500	\$ 680,089
Current year claims and changes in estimates	562,297	887,786
Claim payments	<u>(1,072,823)</u>	<u>(724,375)</u>
Balance, ending	<u>\$ 332,974</u>	<u>\$ 843,500</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2009, consist of the following:

Long Term Debt:	Serviced By	
	Governmental Activities	Business-Type Activities
General Obligation Bonds:		
Refunding series; issued in 1998; due in annual installments of \$1,585,000 to \$2,060,000; maturing through 2010; interest at at 4.25% to 5.0 %	\$ -	\$ 1,815,000
Deferred amount on refunding	-	(45,530)
Total general obligation bonds	-	1,769,470
Installment Purchases:		
Building; due in monthly installments of \$85,989; maturing June 19; interest at 4.16%	8,428,992	-
Library; due in monthly installments of \$51,342 plus interest; maturing May 2010; interest at 3.66%	564,758	-
Equipment; due in monthly installments of \$51,056; plus interest; maturing June 2011 interest at 2.19%	684,000	541,333
Equipment; due in monthly installments of \$21,119; plus interest; maturing May 2013, interest at 2.44%	446,102	546,474
Equipment; due in monthly installments of \$21,019; maturing May 2010; interest at 3.06%	100,119	11,929
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21%	255,192	4,237,062
Equipment; due in monthly installments of \$26,337; maturing May 2011; interest at 3.78%	-	583,318
Equipment; due in monthly installments of \$45,405; maturing June 2010; interest at 3.48%	355,980	178,598
Improvements; due in monthly installments of \$54,220 plus interest maturing April 2014; interest at 2.94%	1,178,678	1,966,102

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Long-Term Debt (Continued):	Serviced by	
	Governmental Activities	Business-Type Activities
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58%	-	1,224,708
Equipment; due in monthly installments of \$66,591 maturing November 2011; interest at 2.565%	943,806	926,766
Equipment; due in monthly installments of \$8,337 maturing October 2013; interest at 2.713%	408,573	-
Total installment purchases	13,366,200	10,216,290
Other Long-Term Debt:		
HUD - Section 108 Loan Guarantee - Douglas Block project	1,305,000	-
YMCA - Building purchase agreement	1,100,000	-
Other - NCDOT	17,000	4,033,542
Subtotal	2,422,000	4,033,542
Unfunded Special Separation Allowance	626,378	-
Other post-employment benefits	1,914,464	609,548
Total other long-term debt	4,962,842	4,643,090
Total outstanding	18,329,042	16,628,850
Less current portion	3,144,690	4,443,820
	\$ 15,184,352	\$ 12,185,030

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

Revolving loan due in annual payments of \$29,776; maturing May 1, 2025; interest at 2.205%	\$ 476,422
Revolving loan due in annual payments of \$187,217; maturing May 1, 2028; interest at 2.305%	<u>3,557,120</u>
	<u>\$ 4,033,542</u>

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

Changes in Long-Term Debt

The following is a summary of changes in the City’s long-term debt for the year ended June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Installment purchases	\$ 13,323,336	\$ 2,822,000	\$ 2,779,136	\$ 13,366,200	\$ 2,927,691
Unfunded Special					
Separation Allowance	592,945	284,443	251,010	626,378	-
HUD Loan	-	1,305,000	-	1,305,000	-
YMCA	1,300,000	-	200,000	1,100,000	200,000
Other	17,000	17,000	17,000	17,000	17,000
Other post-employment benefits	811,373	2,219,453	1,116,362	1,914,464	-
Compensated absences	3,280,241	2,292,979	1,909,851	3,663,369	1,909,851
Total	<u>\$ 19,324,895</u>	<u>\$ 8,940,875</u>	<u>\$ 6,273,359</u>	<u>\$ 21,992,411</u>	<u>\$ 5,054,542</u>
Business-Type Activities:					
General obligation bonds	\$ 3,568,940	\$ -	\$ 1,799,470	\$ 1,769,470	\$ 1,769,470
Installment purchases	7,826,068	4,377,000	1,986,778	10,216,290	2,457,357
Other	4,255,537	-	221,995	4,033,542	216,993
Other post-employment benefits	258,334	706,655	355,441	609,548	-
Compensated absences	654,398	534,690	445,582	743,506	445,582
Total	<u>\$ 16,563,277</u>	<u>\$ 5,618,345</u>	<u>\$ 4,809,266</u>	<u>\$ 17,372,356</u>	<u>\$ 4,889,402</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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, 2008, including interest, are as follows:

	Bond Obligation		Installment Purchases		Other	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities:						
2010	\$ -	\$ -	\$ 2,927,691	\$ 444,449	\$ 217,000	\$ -
2011	-	-	1,949,977	366,785	345,000	-
2012	-	-	1,416,032	309,533	345,000	-
2013	-	-	1,275,583	262,548	245,000	-
2014	-	-	1,100,744	217,248	245,000	-
2015-2019	-	-	4,696,173	509,988	1,025,000	-
Total governmental activities	-	-	13,366,200	2,110,551	2,422,000	-
Business-Type Activities:						
2010	1,815,000	90,750	2,457,357	292,801	216,993	92,497
2011	-	-	2,282,844	209,722	216,993	87,525
2012	-	-	1,527,478	150,776	216,993	82,553
2013	-	-	1,374,543	107,338	216,993	77,581
2014	-	-	1,202,185	66,143	216,993	72,609
2015-2019	-	-	1,371,883	66,812	1,084,965	288,466
2020-2024	-	-	-	-	1,084,965	164,220
2025-2028	-	-	-	-	778,647	43,759
Total business-type activities	1,815,000	90,750	10,216,290	893,592	4,033,542	909,210
Less refunding	(45,530)	-	-	-	-	-
Total	\$ 1,769,470	\$ 90,750	\$ 23,582,490	\$ 3,004,143	\$ 6,455,542	\$ 909,210

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, 2009, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$264,620,736.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rollin Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the Rolling Meadows Apartments – Series 2006 is the only revenue bond outstanding, with an aggregate principal amount payable of \$4,800,000.

12. Interfund Balances and Activity

Due To/From Other Funds

The composition of interfund balances as of June 30, 2009, are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	
	<u>General</u>	<u>Gas</u>
Entitlement Grants	\$ 35,113	\$ -
Water	-	500,000
Sewer	-	500,000
	<u>\$ 35,113</u>	<u>\$ 1,000,000</u>

Amounts due to the General Fund from the nonmajor governmental funds represents \$35,113 cash advances to cover expenses in the special revenue. Amounts due to the Gas fund represent \$500,000 cash advances to cover expenses in both the Water and Sewer funds.

Transfers To/From Other Funds

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General Fund	\$ -	\$ 1,187,538	\$ 300,000	\$ 1,487,538
Nonmajor Governmental Funds	300,512	425,000	-	725,512
Electric Fund	1,600,000	-	-	1,600,000
Gas Fund	1,000,000	-	-	1,000,000
Water Fund	350,000	-	-	350,000
Total	<u>\$ 3,250,512</u>	<u>\$ 1,612,538</u>	<u>\$ 300,000</u>	<u>\$ 5,163,050</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

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 water fund was for the sewer fund's share of expenses related to the drought. The transfer from the sewer fund to non-major governmental funds was a contribution for sewer lines on an economic development project.

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

13. **Jointly Governed Organizations**

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

Braswell Memorial Library

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve-member Board of Trustees of the Library. The City appoints three of the twelve Board members. The City contributed \$625,776 to the library's operating purposes during the year ended June 30, 2009.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

To finance its ownership interest in the Initial Project, the Agency issued bonds. At December 31, 2008, \$2,603,778,000 of the bonds were outstanding (net of unamortized discount of \$5,927,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

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

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

14. Joint Ventures

Rocky Mount-Wilson Airport Authority

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven-member board of commissioners of the Authority. The City appoints two of the seven Board members. The City has an ongoing financial responsibility for the airport and contributed \$93,936 to the Authority for operating purposes and capital outlay during the year ended June 30, 2009. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,639,122 (cost of \$12,485,657 less accumulated depreciation of \$4,846,535) has been reflected in the City's Statement of Net Assets as capital assets at June 30, 2009. The current year decrease in the investment of \$200,102 is included in general governmental expense in the Statement of Activities net of the City's contributions to the Authority during the year ended June 30, 2009. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

15. Related Organization

Rocky Mount Housing Authority

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low income families who cannot afford private housing. The mayor of the City appoints the entire Board of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2009, this payment totaled \$17,526.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

16. Utility Service Fees

The General Fund charges the enterprise funds a utility service fee to reimburse the General Fund for overhead expenses which are not specifically identified with the utility operations. Utility service fees totaling \$8,805,638 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General Fund.

The Electric Fund charges all City departments a telephone fee based on usage to reimburse the Electric Fund for services, maintenance and debt associated with the telephone system. Telephone fees totaling \$562,896 are recorded as operating expense in each City department and as a reduction of operating expenses in the Electric Fund.

17. Stewardship, Compliance and Accountability

Federal and State Funds

The City participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2009, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of OMB Circular A-133 and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

18. Significant Contingencies

Environmental Concerns

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Appropriation to School System

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

The Board was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$676,008 for the year ended June 30, 2009.

Litigation Matters

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

19. Discretely Presented Component Unit

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

Deposits

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

Capital Assets

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

Pledged Assets and Long-Term Debt

Long-term debt at December 31, 2008, and collateral pledged, thereon, consists of the following:

Note payable to bank (“A Note”), interest due monthly at 0.5%, principal and interest payments commence on July 2012, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2008, was \$6,499,000.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Note payable to bank ("B Note"), interest accrues at 1.0% and payments commence July 2012, principal payments commence July 2015, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2008, was \$1,801,863.

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

20. Related Party Transactions

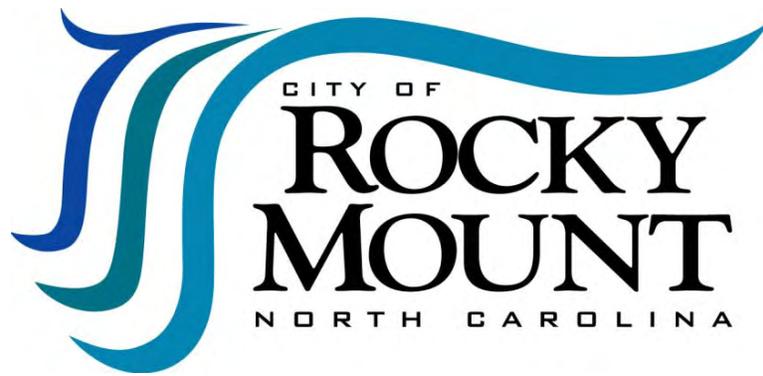
The Theatre entered into a lease agreement dated January 11, 2005, with the City. Under the agreement, the Theatre will receive \$70,000 annually for seven years commencing December 31, 2005. After the initial seven years, the rent increases to \$300,000 annually through 2044. The City is responsible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

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



**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, 2009

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
12/31/01	-	\$ 1,619,495	\$ 1,619,495	0.00%	\$ 4,829,736	33.53%
12/31/02	-	1,818,091	1,818,091	0.00%	5,079,552	35.79%
12/31/03	-	2,090,613	2,090,613	0.00%	5,329,225	39.23%
12/31/04	-	2,205,545	2,205,545	0.00%	5,219,243	42.26%
12/31/05	-	2,187,659	2,187,659	0.00%	6,024,089	36.32%
12/31/06	-	2,501,361	2,501,361	0.00%	5,783,996	43.25%
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%

Schedule of Employer Contribution:

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1996	\$ 63,026	83.08%
1997	63,026	83.06%
1998	99,165	51.83%
1999	107,827	58.68%
2000	126,352	58.80%
2001	128,405	46.29%
2002	151,339	54.54%
2003	176,638	60.23%
2004	198,195	76.92%
2005	217,166	75.00%
2006	227,572	94.62%
2007	226,351	108.51%
2008	245,051	106.96%
2009	277,705	90.39%

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	12/31/2007	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	23 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	4.5 - 12.3%	
Cost of living adjustments	N/A	

CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST - EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		B					
12/31/05	\$ -	\$ 26,003,197		\$ 26,003,197	0.00%	\$ 31,877,912	81.6%
12/31/06	-	25,079,116		25,079,116	0.00%	33,339,163	75.2%
12/31/07	-	31,660,867		31,660,867	0.00%	32,250,543	98.2%
12/31/08	-	37,133,950		37,133,950	0.00%	34,732,711	106.9%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	2,532,013	0.00%
2009	2,926,108	0.00%

Notes to the Required Schedules:

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

Valuation date	12/31/2008	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.75%
Medical cost trend rate	5% - 10.5%	
Year of Ultimate trend rate	2016	

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, 2009**

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 19,000,000	\$ 18,688,436	\$ (311,564)
Prior years	400,000	460,038	60,038
Penalties and interest	195,000	202,158	7,158
Total	<u>19,595,000</u>	<u>19,350,632</u>	<u>(244,368)</u>
Intergovernmental Revenues:			
Payment in lieu of taxes	1,231,160	1,225,530	(5,630)
Local option sales tax	9,750,000	8,809,925	(940,075)
Telecommunications tax	800,000	942,964	142,964
Franchise tax	2,560,000	2,806,275	246,275
Tax refunds	40,000	10,399	(29,601)
Beer and wine tax	290,000	264,527	(25,473)
ABC revenues	55,000	71,943	16,943
Court facilities fees	187,000	163,401	(23,599)
State grants	2,250,900	1,804,320	(446,580)
On behalf payments - fire	-	17,413	17,413
Other	690,278	716,660	26,382
Total	<u>17,854,338</u>	<u>16,833,357</u>	<u>(1,020,981)</u>
Licenses, Permits and Other Taxes:			
Privilege licenses	100,000	125,013	25,013
Buildings permits and inspection fees	756,760	510,571	(246,189)
Rental vehicle tax	48,000	48,165	165
Animal tax	26,000	27,024	1,024
Other	223,000	239,785	16,785
Total	<u>1,153,760</u>	<u>950,558</u>	<u>(203,202)</u>
Sales and Service:			
Solid waste and recycling charge	3,610,000	3,289,290	(320,710)
Reconnection charges	300,000	296,876	(3,124)
Weed control charges	60,000	56,931	(3,069)
Cemetery revenues	177,000	136,764	(40,236)
Sale of fixed assets	132,000	379,596	247,596
Recreation department fee	619,000	653,867	34,867
Traffic maintenance charges	204,000	14,480	(189,520)
Transfer station charges	2,600,000	2,072,175	(527,825)
Concessions	138,000	159,546	21,546
Other	467,020	382,854	(84,166)
Total	<u>8,307,020</u>	<u>7,442,379</u>	<u>(864,641)</u>
Investment Earnings	<u>901,000</u>	<u>406,646</u>	<u>(494,354)</u>
Miscellaneous:			

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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Insurance	11,700	65,985	54,285
Demolition assessment	40,000	212,104	172,104
Excess utility tax	435,000	335,398	(99,602)
Rents	274,200	339,316	65,116
Contributions	87,000	91,229	4,229
Parking	10,100	10,944	844
Other	125,730	60,073	(65,657)
Total	983,730	1,115,049	131,319
Total revenues	48,794,848	46,098,621	(2,696,227)
Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	66,081	66,080	1
Employee benefits	46,550	44,110	2,440
Operating expenses	1,074,944	820,810	254,134
Utility service fee	(269,100)	(269,100)	-
Total	918,475	661,900	256,575
City Clerk:			
Salaries	157,670	157,078	592
Employee benefits	45,290	39,139	6,151
Operating expenses	43,195	36,520	6,675
Capital outlay	11,505	1,505	10,000
Utility service fee	(35,600)	(35,600)	-
Total	222,060	198,642	23,418
Community Services:			
Operating expenses	817,474	812,326	5,148
Utility service fee	(256,400)	(256,400)	-
Total	561,074	555,926	5,148
City Manager:			
Salaries	597,665	597,664	1
Employee benefits	139,378	139,377	1
Operating expenses	69,923	67,789	2,134
Utility service fee	(180,200)	(180,200)	-
Total	626,766	624,630	2,136

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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Public Affairs:			
Salaries	102,130	101,826	304
Employee benefits	32,860	29,061	3,799
Operating expenses	26,200	6,457	19,743
Capital outlay	33,994	8,278	25,716
Utility service fee	(59,100)	(59,100)	-
Total	<u>136,084</u>	<u>86,522</u>	<u>49,562</u>
Downtown Development:			
Salaries	77,641	77,641	-
Employee benefits	18,200	17,810	390
Operating expenses	99,276	70,196	29,080
Utility service fee	(39,900)	(39,900)	-
Total	<u>155,217</u>	<u>125,747</u>	<u>29,470</u>
Finance:			
Administration:			
Salaries	180,227	180,226	1
Employee benefits	46,997	46,997	-
Operating expenses	844,731	648,356	196,375
Utility service fee	(895,300)	(875,579)	(19,721)
Total	<u>176,655</u>	<u>-</u>	<u>176,655</u>
Accounting:			
Salaries	394,580	376,361	18,219
Employee benefits	100,020	92,503	7,517
Operating expenses	48,400	36,720	11,680
Utility service fee	(414,600)	(414,600)	-
Total	<u>128,400</u>	<u>90,984</u>	<u>37,416</u>
Purchasing:			
Salaries	324,362	324,361	1
Employee benefits	87,777	87,772	5
Operating expenses	40,500	39,092	1,408
Utility service fee	(336,300)	(336,300)	-
Total	<u>116,339</u>	<u>114,925</u>	<u>1,414</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Utility Billing:			
Salaries	1,827,130	1,643,957	183,173
Employee benefits	475,720	432,817	42,903
Operating expenses	453,530	411,313	42,217
Capital outlay	38,500	14,562	23,938
Utility service fee	(2,735,200)	(2,502,649)	(232,551)
Total	<u>59,680</u>	<u>-</u>	<u>59,680</u>
Information Systems:			
Salaries	575,170	490,189	84,981
Employee benefits	132,640	113,369	19,271
Operating expenses	1,424,050	451,927	972,123
Capital outlay	792,661	131,725	660,936
Utility service fee	(1,571,700)	(1,187,210)	(384,490)
Total	<u>1,352,821</u>	<u>-</u>	<u>1,352,821</u>
Total finance	<u>1,833,895</u>	<u>205,909</u>	<u>1,627,986</u>
Central Services:			
Municipal Building:			
Salaries	316,910	288,959	27,951
Employee benefits	92,190	83,267	8,923
Operating expenses	662,107	583,745	78,362
Capital outlay	22,000	18,893	3,107
Utility service fee	(591,600)	(591,600)	-
Total	<u>501,607</u>	<u>383,264</u>	<u>118,343</u>
Print Shop:			
Operating expenses	178,000	174,677	3,323
Utility service fee	(89,000)	(89,000)	-
Total	<u>89,000</u>	<u>85,677</u>	<u>3,323</u>
Judicial Center:			
Salaries	119,790	118,869	921
Employee benefits	29,978	29,977	1
Operating expenses	108,067	100,760	7,307
Capital outlay	13,400	13,116	284
Total	<u>271,235</u>	<u>262,722</u>	<u>8,513</u>
Total central services	<u>861,842</u>	<u>731,663</u>	<u>130,179</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Planning and Development:			
Planning Administration:			
Salaries	384,110	379,867	4,243
Employee benefits	103,090	90,368	12,722
Operating expenses	68,300	56,605	11,695
Capital outlay	1,225	1,224	1
Total	<u>556,725</u>	<u>528,064</u>	<u>28,661</u>
Inspections:			
Salaries	534,350	534,324	26
Employee benefits	134,230	134,229	1
Operating expenses	79,154	64,343	14,811
Capital outlay	5,296	5,295	1
Total	<u>753,030</u>	<u>738,191</u>	<u>14,839</u>
CDBG Entitlement Grant:			
Salaries	184,870	183,191	1,679
Employee benefits	44,780	44,701	79
Operating expenses	22,049	19,417	2,632
Total	<u>251,699</u>	<u>247,309</u>	<u>4,390</u>
Total planning and development	<u>1,561,454</u>	<u>1,513,564</u>	<u>47,890</u>
Human Resources:			
Salaries	524,550	524,548	2
Employee benefits	764,000	699,178	64,822
Operating expenses	1,507,570	134,415	1,373,155
Utility service fee	(544,600)	(544,600)	-
Capital outlay	6,720	5,984	736
Total human resources	<u>2,258,240</u>	<u>819,525</u>	<u>1,438,715</u>
Human Relations:			
Salaries	264,620	246,176	18,444
Employee benefits	64,580	59,266	5,314
Operating expenses	42,400	22,405	19,995
Utility service fee	(99,300)	(99,300)	-
Total human relations	<u>272,300</u>	<u>228,547</u>	<u>43,753</u>
Total general government	<u>9,407,407</u>	<u>5,752,575</u>	<u>3,654,832</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Public Safety:			
Police:			
Administration:			
Salaries	515,950	515,134	816
Employee benefits	102,190	87,414	14,776
Operating expenses	100,790	93,844	6,946
Total	<u>718,930</u>	<u>696,392</u>	<u>22,538</u>
Administrative Services:			
Salaries	1,392,500	1,392,400	100
Employee benefits	353,270	353,264	6
Operating expenses	178,900	167,756	11,144
Capital outlay	93,900	93,296	604
Total	<u>2,018,570</u>	<u>2,006,716</u>	<u>11,854</u>
Staff Services:			
Salaries	1,281,510	1,278,870	2,640
Employee benefits	372,988	372,987	1
Operating expenses	392,372	371,906	20,466
Capital outlay	51,000	43,060	7,940
Total	<u>2,097,870</u>	<u>2,066,823</u>	<u>31,047</u>
Field Operations:			
Salaries	4,464,896	4,464,895	1
Employee benefits	1,507,721	1,507,721	-
Operating expenses	408,718	408,403	315
Capital outlay	267,800	231,169	36,631
Total	<u>6,649,135</u>	<u>6,612,188</u>	<u>36,947</u>
Investigative Services:			
Salaries	958,390	944,419	13,971
Employee benefits	254,880	246,047	8,833
Operating expenses	66,700	64,416	2,284
Capital outlay	60,459	60,458	1
Total	<u>1,340,429</u>	<u>1,315,340</u>	<u>25,089</u>
Total police	<u>12,824,934</u>	<u>12,697,459</u>	<u>127,475</u>
Fire:			
Administration:			
Salaries	308,201	308,199	2
Employee benefits	102,856	102,852	4
Operating expenses	368,774	371,147	(2,373)
Capital outlay	41,596	32,968	8,628
Total	<u>821,427</u>	<u>815,166</u>	<u>6,261</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Operations:			
Salaries	6,131,375	6,131,373	2
Employee benefits	1,597,510	1,597,500	10
Operating expenses	521,939	512,579	9,360
Capital outlay	81,162	50,550	30,612
Total	<u>8,331,986</u>	<u>8,292,002</u>	<u>39,984</u>
Prevention:			
Salaries	343,100	328,378	14,722
Employee benefits	77,670	77,667	3
Operating expenses	23,307	22,420	887
Capital outlay	44,188	43,963	225
Total	<u>488,265</u>	<u>472,428</u>	<u>15,837</u>
Training:			
Salaries	248,880	247,412	1,468
Employee benefits	61,610	57,984	3,626
Operating expenses	27,245	25,092	2,153
Capital outlay	1,000	837	163
Total	<u>338,735</u>	<u>331,325</u>	<u>7,410</u>
Total fire	<u>9,980,413</u>	<u>9,910,921</u>	<u>69,492</u>
Total public safety	<u>22,805,347</u>	<u>22,608,380</u>	<u>196,967</u>
Public Works:			
Administration:			
Salaries	124,665	124,661	4
Employee benefits	30,570	30,104	466
Operating expenses	33,648	33,648	-
Total	<u>188,883</u>	<u>188,413</u>	<u>470</u>
Street and Row Maintenance:			
Salaries	699,095	696,230	2,865
Employee benefits	208,970	202,008	6,962
Operating expenses	1,112,651	1,112,380	271
Capital outlay	508,341	417,404	90,937
Service charges	(462,861)	(482,547)	19,686
Total	<u>2,066,196</u>	<u>1,945,475</u>	<u>120,721</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Housing Code Enforcement:			
Salaries	432,160	418,748	13,412
Employee benefits	185,661	185,660	1
Operating expenses	359,596	336,225	23,371
Capital outlay	13,879	13,878	1
Total	<u>991,296</u>	<u>954,511</u>	<u>36,785</u>
Environmental Service:			
Salaries	1,837,845	1,837,845	-
Employee benefits	522,750	518,794	3,956
Operating expenses	3,548,807	3,410,887	137,920
Capital outlay	1,779,385	1,002,487	776,898
Total	<u>7,688,787</u>	<u>6,770,013</u>	<u>918,774</u>
Fleet Maintenance:			
Salaries	834,540	833,441	1,099
Employee benefits	238,910	229,459	9,451
Operating expenses	2,171,000	2,095,858	75,142
Capital outlay	143,270	52,911	90,359
Service charges	(2,730,615)	(2,730,617)	2
Total	<u>657,105</u>	<u>481,052</u>	<u>176,053</u>
Total public works	<u>11,592,267</u>	<u>10,339,464</u>	<u>1,252,803</u>
Engineering:			
Administration:			
Salaries	643,840	643,242	598
Employee benefits	168,040	165,656	2,384
Operating expenses	85,500	71,591	13,909
Capital outlay	4,000	593	3,407
Utility service fee	(402,600)	(402,600)	-
Total	<u>498,780</u>	<u>478,482</u>	<u>20,298</u>
Traffic:			
Salaries	410,362	398,338	12,024
Employee benefits	127,690	127,445	245
Operating expenses	621,707	615,770	5,937
Capital outlay	11,800	11,785	15
Utility service fee	(455,300)	(455,300)	-
Total	<u>716,259</u>	<u>698,038</u>	<u>18,221</u>
Total engineering	<u>1,215,039</u>	<u>1,176,520</u>	<u>38,519</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, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Parks and Recreation:			
Administration:			
Salaries	213,698	213,697	1
Employee benefits	63,753	63,693	60
Operating expenses	77,991	77,890	101
Total	<u>355,442</u>	<u>355,280</u>	<u>162</u>
Athletics:			
Salaries	294,563	294,322	241
Employee benefits	62,990	62,990	-
Operating expenses	91,712	91,612	100
Capital outlay	5,995	5,994	1
Total	<u>455,260</u>	<u>454,918</u>	<u>342</u>
Cultural Arts:			
Salaries	352,700	352,379	321
Employee benefits	74,610	74,048	562
Operating expenses	147,143	139,272	7,871
Capital outlay	2,400	2,032	368
Total	<u>576,853</u>	<u>567,731</u>	<u>9,122</u>
Amusements and Special Events:			
Salaries	54,385	54,384	1
Employee benefits	15,398	15,398	-
Operating expenses	57,620	57,619	1
Capital outlay	1,362	1,361	1
Total	<u>128,765</u>	<u>128,762</u>	<u>3</u>
Museum:			
Salaries	293,430	292,344	1,086
Employee benefits	64,140	63,328	812
Operating expenses	91,380	89,316	2,064
Total	<u>448,950</u>	<u>444,988</u>	<u>3,962</u>
Parks Maintenance:			
Salaries	814,476	814,471	5
Employee benefits	231,238	231,237	1
Operating expenses	577,353	576,476	877
Capital outlay	52,695	52,695	-
Total	<u>1,675,762</u>	<u>1,674,879</u>	<u>883</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

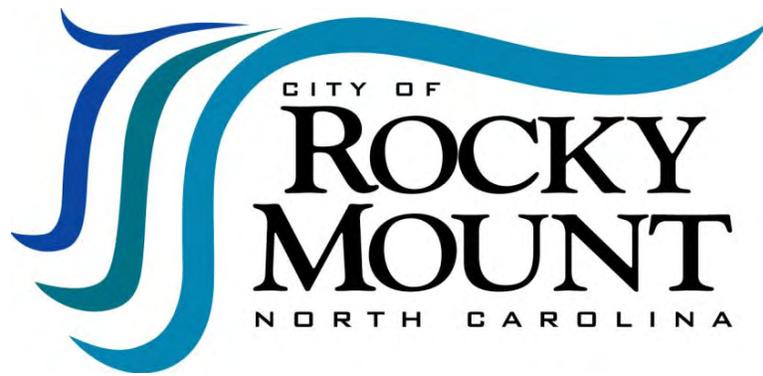
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Cemetery Operations:			
Salaries	257,300	257,299	1
Employee benefits	77,247	77,247	-
Operating expenses	54,339	53,450	889
Capital outlay	12,550	12,238	312
Total	<u>401,436</u>	<u>400,234</u>	<u>1,202</u>
Outdoor Programs:			
Salaries	160,290	158,608	1,682
Employee benefits	24,330	23,561	769
Operating expenses	38,901	37,381	1,520
Total	<u>223,521</u>	<u>219,550</u>	<u>3,971</u>
Neighborhood Programs:			
Salaries	403,890	403,874	16
Employee benefits	73,195	73,194	1
Operating expenses	135,694	135,018	676
Capital outlay	13,600	12,589	1,011
Total	<u>626,379</u>	<u>624,675</u>	<u>1,704</u>
Senior Programs:			
Salaries	184,190	184,149	41
Employee benefits	38,520	38,453	67
Operating expenses	170,423	170,059	364
Capital outlay	6,768	6,084	684
Total	<u>399,901</u>	<u>398,745</u>	<u>1,156</u>
Sports Complex:			
Salaries	134,170	134,167	3
Employee benefits	16,970	16,969	1
Operating expenses	206,645	206,474	171
Capital outlay	42,461	42,460	1
Total	<u>400,246</u>	<u>400,070</u>	<u>176</u>
Imperial Centre:			
Salaries	65,714	65,714	-
Employee benefits	12,650	12,647	3
Operating expenses	1,400,459	1,400,370	89
Total	<u>1,478,823</u>	<u>1,478,731</u>	<u>92</u>
Total parks and recreation	<u>7,171,338</u>	<u>7,148,563</u>	<u>22,775</u>

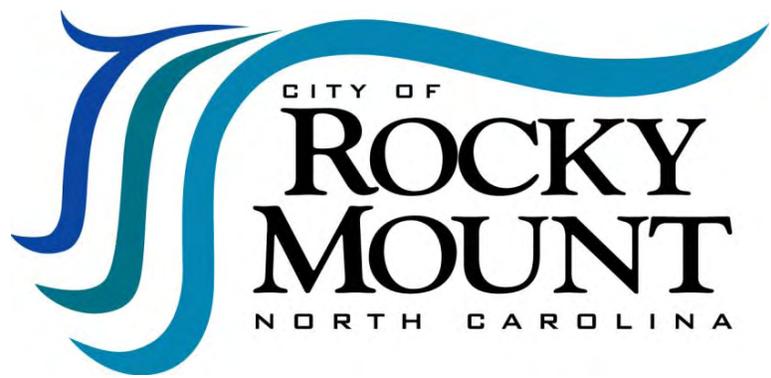
CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	2009		
	Final Budget	Actual	Variance Positive/(Negative)
Public Service:			
Capital outlay	4,010,148	1,609,717	2,400,431
Debt service expenditures	2,818,717	2,818,543	174
Total expenditures	59,020,263	51,453,762	7,566,501
Revenues over (under) expenditures	(10,225,415)	(5,355,141)	4,870,274
Other Financing Sources (Uses):			
Transfers from other fund	3,150,512	3,250,512	100,000
Transfers to other fund	(1,573,371)	(1,487,538)	85,833
Installment purchase financing issued	1,985,165	1,163,000	(822,165)
Total other financing sources (uses):	3,562,306	2,925,974	(636,332)
Revenues and other financing sources over (under) expenditures and other financing uses	(6,663,109)	(2,429,167)	4,233,942
Fund balance appropriated	6,663,109	-	(6,663,109)
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses	\$ -	(2,429,167)	\$ (2,429,167)
Fund Balance:			
Beginning of year, July 1		26,297,834	
End of year, June 30		\$ 23,868,667	



NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents/investments	\$ 1,326,108	\$ 1,200,381	\$ 2,526,489
Receivables - net:			
Ad valorem taxes	-	7,797	7,797
Other governmental agencies	554,196	787,432	1,341,628
Other	320,677	-	320,677
Restricted cash and investments	-	1,408,146	1,408,146
Total assets	<u>\$ 2,200,981</u>	<u>\$ 3,403,756</u>	<u>\$ 5,604,737</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 210,329	\$ 342,108	\$ 552,437
Deferred revenue	-	152,797	152,797
Deposits	17,549	-	17,549
Due to other funds	<u>35,113</u>	<u>-</u>	<u>35,113</u>
Total liabilities	<u>262,991</u>	<u>494,905</u>	<u>757,896</u>
Fund Balances:			
Reserved for:			
State statute	101,230	292,480	393,710
Unreserved:			
Undesignated	<u>1,836,760</u>	<u>2,616,371</u>	<u>4,453,131</u>
Total fund balances	<u>1,937,990</u>	<u>2,908,851</u>	<u>4,846,841</u>
Total liabilities and fund balances	<u>\$ 2,200,981</u>	<u>\$ 3,403,756</u>	<u>\$ 5,604,737</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, 2009**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 60,017	\$ 60,017
Intergovernmental	4,290,892	1,085,251	5,376,143
Project	2,107,644	261,400	2,369,044
Investment earnings	12,610	17,646	30,256
Miscellaneous	11,045	185,323	196,368
Total revenues	<u>6,422,191</u>	<u>1,609,637</u>	<u>8,031,828</u>
Expenditures:			
Current:			
General government	-	252,543	252,543
Public safety	79,304	856,699	936,003
Parks and recreation	12,107	861,726	873,833
Public service	3,191,851	1,346,759	4,538,610
Community revitalization	2,645,895	154,794	2,800,689
Debt service	-	648,984	648,984
Total expenditures	<u>5,929,157</u>	<u>4,121,505</u>	<u>10,050,662</u>
Revenues over (under) expenditures	<u>493,034</u>	<u>(2,511,868)</u>	<u>(2,018,834)</u>
Other Financing Sources (Uses):			
Transfers in	339,758	1,272,780	1,612,538
Transfers out	(300,000)	(425,512)	(725,512)
Debt financing issued	-	1,305,000	1,305,000
Installment purchase financing issued	-	1,659,000	1,659,000
Total other financing sources (uses)	<u>39,758</u>	<u>3,811,268</u>	<u>3,851,026</u>
Net change in fund balances	532,792	1,299,400	1,832,192
Fund Balances:			
Beginning of year, July 1	<u>1,405,198</u>	<u>1,609,451</u>	<u>3,014,649</u>
End of year, June 30	<u>\$ 1,937,990</u>	<u>\$ 2,908,851</u>	<u>\$ 4,846,841</u>

NON MAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

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

Entitlement Grants Fund

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

Emergency Management Fund

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

Crime/Safety Control Fund

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

Economic Development Fund

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

Emergency Telephone System Fund

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

Occupancy Tax

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Emergency Management</u>	<u>Crime/ Safety Control</u>
Assets:				
Cash and cash equivalents/investments	\$ 386,997	\$ -	\$ -	\$ 31,193
Receivables - net:				
Other governmental agencies	100,467	436,046	-	17,683
Other	209,513	2,356	-	-
Total assets	<u>\$ 696,977</u>	<u>\$ 438,402</u>	<u>\$ -</u>	<u>\$ 48,876</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenditures	\$ 60,591	\$ 137,346	\$ -	\$ 12,107
Deposits	-	17,549	-	-
Due to other funds	-	35,113	-	-
Total liabilities	<u>60,591</u>	<u>190,008</u>	<u>-</u>	<u>12,107</u>
Fund Balance:				
Reserved for:				
State statute	-	-	-	-
Unreserved:				
Undesignated	636,386	248,394	-	36,769
Total fund balance (deficit)	<u>636,386</u>	<u>248,394</u>	<u>-</u>	<u>36,769</u>
Total liabilities and fund balance	<u>\$ 696,977</u>	<u>\$ 438,402</u>	<u>\$ -</u>	<u>\$ 48,876</u>

Schedule D-1

<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 102,844	\$ 389,303	\$ 415,771	\$ 1,326,108
-	-	-	554,196
<u>7,578</u>	<u>33,249</u>	<u>67,981</u>	<u>320,677</u>
<u>\$ 110,422</u>	<u>\$ 422,552</u>	<u>\$ 483,752</u>	<u>\$ 2,200,981</u>
\$ -	\$ 285	\$ -	\$ 210,329
-	-	-	17,549
<u>-</u>	<u>-</u>	<u>-</u>	<u>35,113</u>
<u>-</u>	<u>285</u>	<u>-</u>	<u>262,991</u>
-	33,249	67,981	101,230
<u>110,422</u>	<u>389,018</u>	<u>415,771</u>	<u>1,836,760</u>
<u>110,422</u>	<u>422,267</u>	<u>483,752</u>	<u>1,937,990</u>
<u>\$ 110,422</u>	<u>\$ 422,552</u>	<u>\$ 483,752</u>	<u>\$ 2,200,981</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, 2009**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Emergency Management</u>	<u>Crime/ Safety Control</u>
Revenues:				
Intergovernmental	\$ 1,344,915	\$ 2,481,573	\$ -	\$ 40,068
Project	1,575,113	96,362	-	-
Investment earnings	-	(268)	-	495
Miscellaneous	11,045	-	-	-
Total revenues	<u>2,931,073</u>	<u>2,577,667</u>	<u>-</u>	<u>40,563</u>
Expenditures:				
Current:				
Parks and recreation	-	-	-	12,107
Public safety	-	-	-	79,304
Public service	2,999,154	-	-	-
Community revitalization	-	2,598,430	-	-
Total expenditures	<u>2,999,154</u>	<u>2,598,430</u>	<u>-</u>	<u>91,411</u>
Revenues over (under) expenditures	<u>(68,081)</u>	<u>(20,763)</u>	<u>-</u>	<u>(50,848)</u>
Other Financing Sources (Uses):				
Transfers in	210,611	123,250	-	5,897
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>210,611</u>	<u>123,250</u>	<u>-</u>	<u>5,897</u>
Net change in fund balances	142,530	102,487	-	(44,951)
Fund Balance:				
Beginning of year, July 1	<u>493,856</u>	<u>145,907</u>	<u>-</u>	<u>81,720</u>
End of year , June 30	<u>\$ 636,386</u>	<u>\$ 248,394</u>	<u>\$ -</u>	<u>\$ 36,769</u>

Schedule D-2

Economic Development	Emergency Telephone System	Occupancy Tax	Total
\$ -	\$ -	\$ 424,336	\$ 4,290,892
-	436,169	-	2,107,644
-	5,631	6,752	12,610
-	-	-	11,045
<u>-</u>	<u>441,800</u>	<u>431,088</u>	<u>6,422,191</u>
-	-	-	12,107
-	-	-	79,304
-	192,697	-	3,191,851
<u>47,465</u>	<u>-</u>	<u>-</u>	<u>2,645,895</u>
<u>47,465</u>	<u>192,697</u>	<u>-</u>	<u>5,929,157</u>
<u>(47,465)</u>	<u>249,103</u>	<u>431,088</u>	<u>493,034</u>
-	-	-	339,758
<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>39,758</u>
<u>(47,465)</u>	<u>249,103</u>	<u>131,088</u>	<u>532,792</u>
<u>157,887</u>	<u>173,164</u>	<u>352,664</u>	<u>1,405,198</u>
<u>\$ 110,422</u>	<u>\$ 422,267</u>	<u>\$ 483,752</u>	<u>\$ 1,937,990</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC TRANSPORTATION GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 3,738,867	\$ 1,934,699	1,344,915	\$ 3,279,614
Project revenues	1,563,468	8,627	1,575,113	1,583,740
Miscellaneous	14,000	19,215	11,045	30,260
Total revenues	<u>5,316,335</u>	<u>1,962,541</u>	<u>2,931,073</u>	<u>4,893,614</u>
Expenditures:				
Public Service:				
Operating	5,310,980	1,990,551	2,776,510	4,767,061
Capital outlay	493,428	216,649	222,644	439,293
Total expenditures	<u>5,804,408</u>	<u>2,207,200</u>	<u>2,999,154</u>	<u>5,206,354</u>
Revenues over (under) expenditures	<u>(488,073)</u>	<u>(244,659)</u>	<u>(68,081)</u>	<u>(312,740)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>488,073</u>	<u>322,134</u>	<u>210,611</u>	<u>532,745</u>
Total other financing sources (uses)	<u>488,073</u>	<u>322,134</u>	<u>210,611</u>	<u>532,745</u>
Adjustment for closed projects	<u>-</u>	<u>416,381</u>		<u>416,381</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 493,856</u>	142,530	<u>\$ 636,386</u>
Fund Balance:				
Beginning of year, July 1			<u>493,856</u>	
End of year, June 30			<u>\$ 636,386</u>	

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

Revenues:	
Intergovernmental	\$ 810,301
Project revenues	1,522,421
Miscellaneous	48,408
Total Revenues	<u>2,381,130</u>
Expenditures:	
Operating	2,176,689
Capital outlay	210,513
Expenditures:	<u>2,387,202</u>
Revenues over (under) expenditures	<u>\$ (6,072)</u>
Transfers from other funds	<u>175,859</u>
Adjustment to Fund Balance	<u>\$ 169,787</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, 2009

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 12,428,429	\$ 6,047,965	2,481,573	\$ 8,529,538
Project revenues	1,097,109	1,143,595	96,362	1,239,957
Investment earnings	-	10,221	(268)	9,953
Miscellaneous	-	12,819	-	12,819
Total revenues	<u>13,525,538</u>	<u>7,214,600</u>	<u>2,577,667</u>	<u>9,792,267</u>
Expenditures:				
Community revitalization program:				
Operating	13,930,080	7,304,226	2,598,228	9,902,454
Capital outlay	21,749	21,476	202	21,678
Total expenditures	<u>13,951,829</u>	<u>7,325,702</u>	<u>2,598,430</u>	<u>9,924,132</u>
Revenues over (under) expenditures	<u>(426,291)</u>	<u>(111,102)</u>	<u>(20,763)</u>	<u>(131,865)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>426,291</u>	<u>257,009</u>	<u>123,250</u>	<u>380,259</u>
Total other financing sources (uses)	<u>426,291</u>	<u>257,009</u>	<u>123,250</u>	<u>380,259</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 145,907</u>	<u>102,487</u>	<u>\$ 248,394</u>
Fund Balance:				
Beginning of year, July 1			<u>145,907</u>	
End of year, June 30			<u>\$ 248,394</u>	

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

Revenues:	
Intergovernmental	\$ 1,901,000
Project revenues	1,421
Miscellaneous	<u>23,400</u>
Total revenues	<u>1,925,821</u>
Expenditures:	
Operating	<u>1,925,821</u>
Expenditures:	<u>1,925,821</u>
Revenues over (under) expenditures	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Emergency Management:				
Operating	-	-	-	-
Hazard mitigation	-	-	-	-
Contributions	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers to other funds	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund Balance:				
Beginning of year, July 1			-	
End of year, June 30			\$ -	

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

Revenues:	
Intergovernmental	\$ 22,487
Total revenues	22,487
Expenditures:	
Operating	18,597
Expenditures:	18,597
Revenues over (under) expenditures	3,890
Transfers to other funds	(3,890)
	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - CRIME/SAFETY CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		
		Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 361,812	\$ 212,775	\$ 40,068	\$ 252,843
Miscellaneous	5,657	3,822	-	3,822
Investment earnings	3,138	5,266	495	5,761
Total revenues	<u>370,607</u>	<u>221,863</u>	<u>40,563</u>	<u>262,426</u>
Expenditures:				
Public Safety:				
Operating	151,018	64,979	44,025	109,004
Capital outlay	154,145	75,696	35,279	110,975
Parks and Recreation:				
Operating	<u>95,396</u>	-	<u>12,107</u>	<u>12,107</u>
Total expenditures	<u>400,559</u>	<u>140,675</u>	<u>91,411</u>	<u>232,086</u>
Revenues over (under) expenditures	<u>(29,952)</u>	<u>81,188</u>	<u>(50,848)</u>	<u>30,340</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>29,952</u>	<u>532</u>	<u>5,897</u>	<u>6,429</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 81,720</u>	<u>(44,951)</u>	<u>\$ 36,769</u>
Fund Balance:				
Beginning of year, July 1			<u>81,720</u>	
End of year, June 30			<u>\$ 36,769</u>	

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

Revenues:	
Intergovernmental	\$ 32,014
Interest	<u>39,226</u>
Total revenues	<u>71,240</u>
Expenditures:	
Capital outlay	<u>80,473</u>
Expenditures:	<u>80,473</u>
Revenues over (under) expenditures	<u>(9,233)</u>
Transfers from other funds	<u>9,233</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 996,880	\$ -	\$ -	\$ -
Investment earnings	-	10,646	-	10,646
Other	275,000	-	-	-
Total revenues	<u>1,271,880</u>	<u>10,646</u>	<u>-</u>	<u>10,646</u>
Expenditures:				
Community Revitalization:				
Operating	100,000	48,732	27,309	76,041
Capital outlay	1,401,980	34,127	20,156	54,283
Total expenditures	<u>1,501,980</u>	<u>82,859</u>	<u>47,465</u>	<u>130,324</u>
Revenues over (under) expenditures	<u>(230,100)</u>	<u>(72,213)</u>	<u>(47,465)</u>	<u>(119,678)</u>
Other Financing Sources (Uses):				
Transfers from other funds	230,100	230,100	-	230,100
Total other financing sources (uses)	<u>230,100</u>	<u>230,100</u>	<u>-</u>	<u>230,100</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 157,887</u>	<u>(47,465)</u>	<u>\$ 110,422</u>
Fund Balance:				
Beginning of year, July 1			<u>157,887</u>	
End of year, June 30			<u>\$ 110,422</u>	

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

Revenues:	
Intergovernmental	\$ 40,784
Total revenues	<u>40,784</u>
Expenditures:	
Operating	40,784
Expenditures:	<u>40,784</u>
Revenues over (under) expenditures	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Project	\$ 250,000	\$ 436,169	\$ 186,169
Investment earnings	-	5,631	5,631
Total revenues	<u>250,000</u>	<u>441,800</u>	<u>191,800</u>
Expenditures:			
Public service:			
Operating	200,000	188,846	11,154
Capital outlay	<u>50,000</u>	<u>3,851</u>	<u>46,149</u>
Total expenditures	<u>250,000</u>	<u>192,697</u>	<u>57,303</u>
Revenues over (under) expenditures	<u>-</u>	<u>249,103</u>	<u>249,103</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>249,103</u>	<u>\$ 249,103</u>
Fund Balances:			
Beginning of year, July 1		<u>173,164</u>	
End of year, June 30		<u>\$ 422,267</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - OCCUPANCY TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Intergovernmental	\$ 2,790,000	\$ 2,832,257	\$ 424,336	\$ 3,256,593
Investment earnings	35,000	45,407	6,752	52,159
Total revenues	<u>2,825,000</u>	<u>2,877,664</u>	<u>431,088</u>	<u>3,308,752</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(2,825,000)</u>	<u>(2,525,000)</u>	<u>(300,000)</u>	<u>(2,825,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 352,664</u>	131,088	<u>\$ 483,752</u>
Fund Balance:				
Beginning of year, July 1			<u>352,664</u>	
End of year, June 30			<u>\$ 483,752</u>	

NON MAJOR CAPITAL PROJECTS FUNDS

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

General Capital Projects Fund

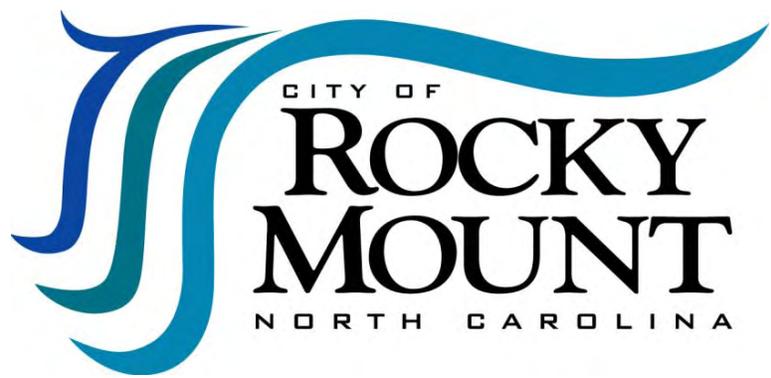
This fund is used to account for construction of various City projects to improve City parks and operational facilities.

General Capital Development Fund

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

Imperial Theatre Capital Projects Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2009

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Imperial Theatre Capital Project</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:				
Cash and cash equivalents/investments	\$ 387,540	\$ 812,841	\$ -	\$ 1,200,381
Receivables - net:				
Ad valorem taxes	7,797	-	-	7,797
Other governmental agencies	292,480	494,952	-	787,432
Restricted cash and investments	1,408,146	-	-	1,408,146
Total assets	<u>\$ 2,095,963</u>	<u>\$ 1,307,793</u>	<u>\$ -</u>	<u>\$ 3,403,756</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	308,036	34,072	-	342,108
Deferred revenues	7,797	145,000	-	152,797
Total liabilities	<u>315,833</u>	<u>179,072</u>	<u>-</u>	<u>494,905</u>
Fund Balance:				
Reserved for:				
State statute	292,480	-	-	292,480
Unreserved:				
Undesignated	1,487,650	1,128,721	-	2,616,371
Total fund balance	<u>1,780,130</u>	<u>1,128,721</u>	<u>-</u>	<u>2,908,851</u>
Total liabilities and fund balance	<u>\$ 2,095,963</u>	<u>\$ 1,307,793</u>	<u>\$ -</u>	<u>\$ 3,403,756</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, 2009**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Imperial Theatre Capital Project</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:				
Taxes	\$ 60,017	\$ -	\$ -	\$ 60,017
Intergovernmental	626,600	458,651	-	1,085,251
Project	261,400	-	-	261,400
Investment earnings	16,307	1,339	-	17,646
Miscellaneous	-	185,323	-	185,323
Total revenues	<u>964,324</u>	<u>645,313</u>	<u>-</u>	<u>1,609,637</u>
Expenditures:				
Current:				
General government	252,543	-	-	252,543
Public safety	856,699	-	-	856,699
Parks and recreation	392,552	469,174	-	861,726
Public service	-	1,346,759	-	1,346,759
Community revitalization	154,794	-	-	154,794
Debt service	648,984	-	-	648,984
Total expenditures	<u>2,305,572</u>	<u>1,815,933</u>	<u>-</u>	<u>4,121,505</u>
Revenues over (under) expenditures	<u>(1,341,248)</u>	<u>(1,170,620)</u>	<u>-</u>	<u>(2,511,868)</u>
Other Financing Sources (Uses):				
Transfers in	243,000	1,029,780	-	1,272,780
Transfers out	(325,000)	(100,512)	-	(425,512)
Debt financing issued	-	1,305,000	-	1,305,000
Installment purchase financing issued	1,659,000	-	-	1,659,000
Total other financing sources (uses)	<u>1,577,000</u>	<u>2,234,268</u>	<u>-</u>	<u>3,811,268</u>
Net change in fund balances	235,752	1,063,648	-	1,299,400
Fund Balances:				
Beginning of year - July 1	<u>1,544,378</u>	<u>65,073</u>	<u>-</u>	<u>1,609,451</u>
End of year - June 30	<u>\$ 1,780,130</u>	<u>\$ 1,128,721</u>	<u>\$ -</u>	<u>\$ 2,908,851</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS - GENERAL CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Ad valorem taxes	\$ 68,000	\$ 60,017	\$ (7,983)
Intergovernmental	626,600	626,600	-
Project	261,400	261,400	-
Investment earnings	5,000	16,307	11,307
Contributions	363,000	-	(363,000)
Total revenues	<u>1,324,000</u>	<u>964,324</u>	<u>(359,676)</u>
Expenditures:			
Capital projects:			
General government	355,950	252,543	103,407
Public safety	1,639,870	856,699	783,171
Parks and recreation	617,000	392,552	224,448
Community revitalization	160,000	154,794	5,206
Debt service	649,000	648,984	16
Total expenditures	<u>3,421,820</u>	<u>2,305,572</u>	<u>1,116,248</u>
Revenues over (under) expenditures	<u>(2,097,820)</u>	<u>(1,341,248)</u>	<u>756,572</u>
Other Financing Sources (Uses):			
Transfers to other funds	(325,000)	(325,000)	-
Transfers from other funds	143,000	243,000	100,000
Installment purchase financing issued	1,585,000	1,659,000	74,000
Fund balance appropriated	694,820	-	(694,820)
Total other financing sources (uses)	<u>2,097,820</u>	<u>1,577,000</u>	<u>(520,820)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>235,752</u>	<u>\$ 235,752</u>
Fund Balances:			
Beginning of year, July 1		<u>1,544,378</u>	
End of year, June 30		<u>\$ 1,780,130</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, 2009

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Intergovernmental	\$ 4,329,011	\$ 1,412,068	\$ 458,651	\$ 1,870,719
Investment earnings	-	61,406	1,339	62,745
Miscellaneous	1,588,000	1,288,503	185,323	1,473,826
Total revenues	<u>5,917,011</u>	<u>2,761,977</u>	<u>645,313</u>	<u>3,407,290</u>
Expenditures:				
Capital projects:				
Parks and recreation	3,466,650	2,613,641	469,174	3,082,815
Public service	<u>6,612,261</u>	<u>1,558,895</u>	<u>1,346,759</u>	<u>2,905,654</u>
Total expenditures	<u>10,078,911</u>	<u>4,172,536</u>	<u>1,815,933</u>	<u>5,988,469</u>
Revenues over (under) expenditures	<u>(4,161,900)</u>	<u>(1,410,559)</u>	<u>(1,170,620)</u>	<u>(2,581,179)</u>
Other Financing Sources (Uses):				
Transfers from other funds	2,462,412	1,475,632	1,029,780	2,505,412
Transfers to other funds	(100,512)	-	(100,512)	(100,512)
Debt financing issued	<u>1,800,000</u>	<u>-</u>	<u>1,305,000</u>	<u>1,305,000</u>
Total other financing sources (uses)	<u>4,161,900</u>	<u>1,475,632</u>	<u>2,234,268</u>	<u>3,709,900</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 65,073</u>	<u>1,063,648</u>	<u>\$ 1,128,721</u>
Fund Balance:				
Beginning of year, July 1			<u>65,073</u>	
End of year, June 30			<u>\$ 1,128,721</u>	

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

Revenues:	
Intergovernmental	\$ 1,518,384
Miscellaneous	127,520
Installment purchasing	<u>11,500,000</u>
Total revenues	<u>13,145,904</u>
Expenditures:	
Public service	85,981
Parks Rec	<u>14,825,114</u>
Expenditures:	<u>14,911,095</u>
Revenues under expenditures	<u>(1,765,191)</u>
Transfers from other funds	<u>1,893,016</u>
Transfers to other funds	<u>(127,825)</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS - IMPERIAL THEATRE CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital projects:				
Parks and recreation	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers to other funds	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:				
Beginning of year, July 1			-	
End of year, June 30			<u>\$ -</u>	

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

Revenues:	
Intergovernmental	\$ 3,511,168
Total revenues	<u>3,511,168</u>
Expenditures:	
Parks Rec	<u>7,855,535</u>
Expenditures:	<u>7,855,535</u>
Revenues under expenditures	<u>(4,344,367)</u>
Transfers from (to) other funds	<u>4,344,367</u>
	<u>\$ -</u>



ENTERPRISE FUNDS

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

Electric Fund

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

Gas Fund

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

Water Fund

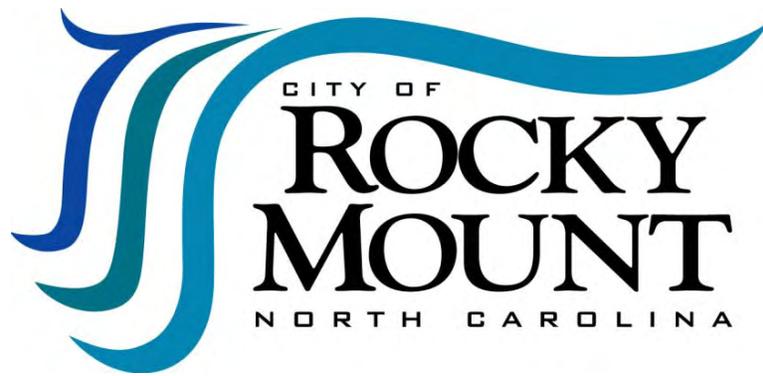
This fund accounts for the operation of the City's water treatment and distribution system.

Sewer Fund

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

Stormwater Management Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 89,500,000	\$ 89,004,211	\$ (495,789)
Other operating revenue	1,573,500	1,524,794	(48,706)
Investment earnings	450,000	481,932	31,932
Total revenues	<u>91,523,500</u>	<u>91,010,936</u>	<u>(512,564)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	2,022,780	2,011,034	11,746
Employee benefits	634,913	688,905	(53,992)
Electric power purchase	73,500,000	73,432,691	67,309
Operating expense	6,400,005	5,944,934	455,071
Engineering:			
Salaries	700,960	644,008	56,952
Employee benefits	170,210	154,261	15,949
Operating expense	370,814	361,765	9,049
Utility support services:			
Salaries	176,425	176,420	5
Employee benefits	43,143	43,113	30
Operating expense	483,590	464,409	19,181
Energy services:			
Salaries	583,327	544,674	38,653
Employee benefits	162,520	130,901	31,619
Operating expense	1,144,290	594,399	549,891
Budgetary appropriations:			
Capital outlay	6,966,034	4,113,359	2,852,675
Debt services expenditures	833,853	833,785	68
Appropriation to school system	507,010	507,010	-
Total expenditures and budgetary appropriations	<u>94,699,874</u>	<u>90,645,669</u>	<u>4,054,205</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,176,374)</u>	<u>365,267</u>	<u>3,541,641</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,600,000)	(1,600,000)	-
Installment purchase financing issued	3,238,696	2,452,000	(786,696)
Fund balance appropriated	1,537,678	-	(1,537,678)
Total other financing sources (uses)	<u>3,176,374</u>	<u>852,000</u>	<u>(2,324,374)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures	<u>\$ -</u>	<u>\$ 1,217,267</u>	<u>\$ 1,217,267</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures		\$ 1,217,267	
Depreciation		(1,561,177)	
Debt principal		774,019	
Capitalized capital outlay		3,806,209	
Rate stabilization		375,000	
Lease proceeds		(2,452,000)	
Change in net assets		<u>\$ 2,159,318</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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 30,225,000	\$ 29,655,658	\$ (569,342)
Other operating revenue	10,000	34,021	24,021
Investment earnings	272,000	220,179	(51,821)
Total revenues	<u>30,507,000</u>	<u>29,909,858</u>	<u>(597,142)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	887,400	887,396	4
Employee benefits	373,630	395,394	(21,764)
Natural gas purchases	22,574,710	20,694,036	1,880,674
Operating expense	4,588,597	3,023,414	1,565,183
Budgetary appropriations:			
Capital outlay	1,743,630	1,306,004	437,626
Debt services expenditures	150,463	150,396	67
Appropriation to school system	169,200	168,998	202
Total expenditures and budgetary appropriations	<u>30,487,630</u>	<u>26,625,638</u>	<u>3,861,992</u>
Revenues over (under) expenditures	<u>19,370</u>	<u>3,284,221</u>	<u>3,264,851</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,000,000)	(1,000,000)	-
Installment purchase financing issued	140,000	135,000	(5,000)
Fund balance appropriated	840,630	-	(840,630)
Total other financing sources (uses)	<u>(19,370)</u>	<u>(865,000)</u>	<u>(845,630)</u>
Revenues, other financing sources and fund appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 2,419,221</u>	<u>\$ 2,419,221</u>

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

Revenues, other financing sources and fund appropriations and other financing sources (uses)	\$ 2,419,221
Depreciation	(337,499)
Debt principal	142,189
Capitalized capital outlay	1,185,223
Lease proceeds	(135,000)
Change in net assets	<u>\$ 3,274,134</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, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 10,100,000	\$ 9,010,135	\$ (1,089,865)
Licenses and permits	70,000	51,032	(18,968)
Other operating revenue	126,000	106,666	(19,334)
Other nonoperating revenue	175,890	103,859	(72,031)
Grants and subsidies	293,357	105,536	(187,821)
Investment earnings	149,000	83,016	(65,984)
Total revenues	<u>10,914,247</u>	<u>9,460,243</u>	<u>(1,454,004)</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,594,230	1,574,543	19,687
Employee benefits	511,180	591,982	(80,802)
Operating expense	4,289,427	4,026,875	262,552
Water services:			
Salaries	552,710	552,700	10
Employee benefits	182,429	175,247	7,182
Operating expense	1,403,570	1,310,473	93,097
Budgetary appropriations:			
Capital outlay	1,672,720	970,125	702,595
Debt services expenditures	1,321,160	1,320,306	854
Total expenditures and budgetary appropriations	<u>11,527,426</u>	<u>10,522,251</u>	<u>1,005,175</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(613,179)</u>	<u>(1,062,007)</u>	<u>(448,828)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(350,000)	(350,000)	-
Installment purchase financing issued	560,000	125,000	(435,000)
Fund balance appropriated	403,179	-	(403,179)
Total other financing sources (uses)	<u>613,179</u>	<u>(225,000)</u>	<u>(838,179)</u>
Revenues, other financing sources and fund appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ (1,287,007)</u>	<u>\$ (1,287,007)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund appropriations and other financing sources (uses)		\$ (1,287,007)	
Depreciation		(1,243,726)	
Debt principal		1,163,294	
Capitalized capital outlay		808,925	
Lease proceeds		(125,000)	
Change in net assets		<u>\$ (683,514)</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

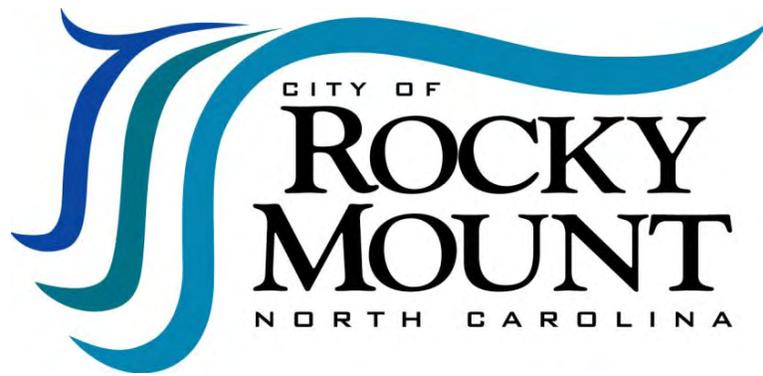
**ENTERPRISE FUNDS - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Operating Revenues:			
User charges	\$ 10,500,000	\$ 10,162,577	\$ (337,423)
Licenses and permits	20,000	29,911	9,911
Other operating revenue	134,000	449,051	315,051
Investment earnings	71,000	88,204	17,204
Total revenues	<u>10,725,000</u>	<u>10,729,743</u>	<u>4,743</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,021,310	1,016,919	4,391
Employee benefits	348,925	380,218	(31,293)
Operating expense	4,510,695	4,220,195	290,500
Sewer services:			
Salaries	688,190	688,175	15
Employee benefits	187,188	164,687	22,501
Operating expense	1,635,792	1,560,500	75,292
Budgetary appropriations:			
Capital outlay	5,467,120	1,741,761	3,725,359
Debt services expenditures	2,197,470	1,998,393	199,077
Total expenditures and budgetary appropriations	<u>16,056,690</u>	<u>11,770,848</u>	<u>4,285,842</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(5,331,690)</u>	<u>(1,041,105)</u>	<u>4,290,585</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	4,577,000	1,445,000	(3,132,000)
Fund balance appropriated	754,690	-	(754,690)
Total other financing sources (uses)	<u>5,331,690</u>	<u>1,445,000</u>	<u>(3,886,690)</u>
Revenues, other financing sources and fund appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 403,895</u>	<u>\$ 403,895</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund appropriations and other financing sources (uses) and other financing uses		\$ 403,895	
Depreciation		(1,715,240)	
Debt principal		1,692,065	
Capitalized capital outlay		1,758,655	
Lease proceeds		<u>(1,445,000)</u>	
Change in net assets		<u>\$ 694,375</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, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Operating Revenues:			
User charges	\$ 3,050,000	\$ 2,918,643	\$ (131,357)
Other operating revenue	-	100	100
Grants and subsidies	100,000	-	(100,000)
Investment earnings	95,000	59,734	(35,266)
Total revenues	<u>3,245,000</u>	<u>2,978,477</u>	<u>(266,523)</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	194,740	184,625	10,115
Employee benefits	61,720	96,976	(35,256)
Operating expense	383,150	339,154	43,996
Stormwater operations:			
Salaries	1,236,410	1,184,602	51,808
Employee benefits	395,380	314,987	80,393
Operating expense	658,650	479,364	179,286
Budgetary appropriations:			
Capital outlay	1,884,448	731,208	1,153,240
Debt services expenditures	302,450	302,446	4
Total expenditures and budgetary appropriations	<u>5,116,948</u>	<u>3,633,362</u>	<u>1,483,586</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,871,948)</u>	<u>(654,885)</u>	<u>1,217,063</u>
Other Financing Sources (Uses):			
Transfers from other funds	300,000	300,000	-
Installment purchase financing issued	855,000	220,000	(635,000)
Fund balance appropriated	716,948	-	(716,948)
Total other financing sources (uses)	<u>1,871,948</u>	<u>520,000</u>	<u>(1,351,948)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures	<u>\$ -</u>	<u>\$ (134,885)</u>	<u>\$ (134,885)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (134,885)	
Depreciation		(193,255)	
Debt principal		282,204	
Capitalized capital outlay		674,444	
Lease proceeds		(220,000)	
Change in net assets		<u>\$ 408,508</u>	



INTERNAL SERVICE FUND

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

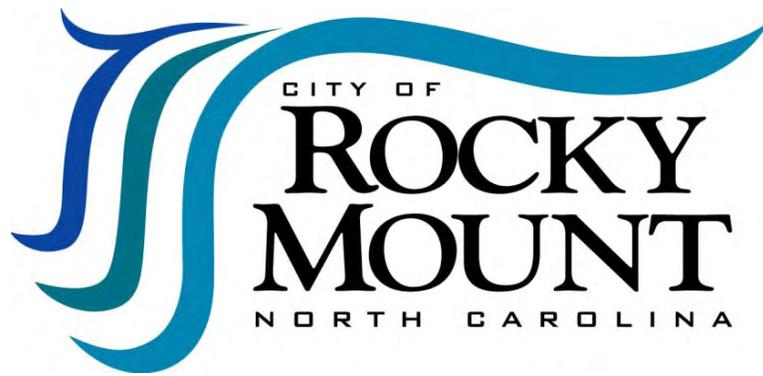
INTERNAL SERVICE FUND- RISK MANAGEMENT
 SCHEDULE OF REVENUES AND EXPENDITURES
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 YEAR ENDED JUNE 30, 2009

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Insurance premiums	\$ 4,500,000	\$ 5,280,428	\$ 780,428
Expenditures:			
Insurance claims	4,500,000	4,784,584	(284,584)
Administrative fees	-	887,163	(887,163)
Total expenditures	<u>4,500,000</u>	<u>5,671,747</u>	<u>(1,171,747)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(391,319)</u>	<u>(391,319)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(391,319)</u>	<u>\$ (391,319)</u>
Fund Balance:			
Beginning of year, July 1		<u>916,147</u>	
End of year, June 30		<u>\$ 524,828</u>	



AGENCY FUNDS

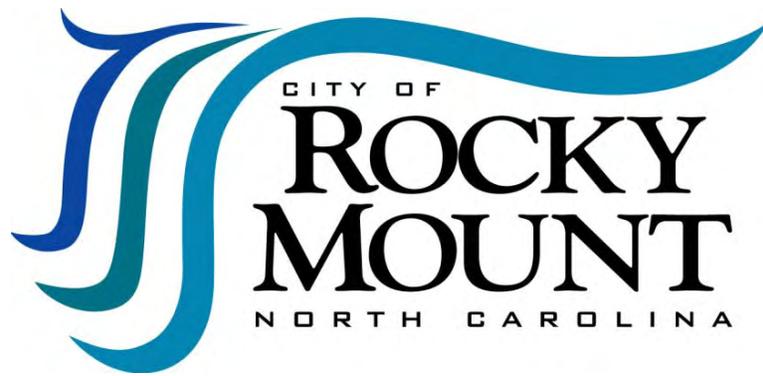
Agency Funds are used to account for transactions related to assets held by the City as an agency for individuals and/or other governmental units.



CITY OF ROCKY MOUNT, NORTH CAROLINA

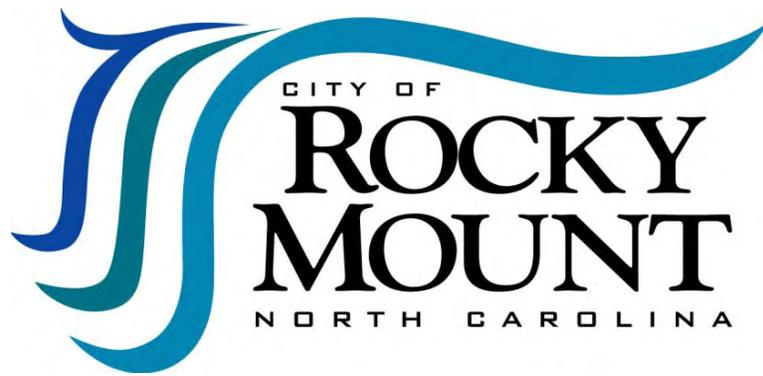
**AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 JUNE 30, 2009**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Community Development and Governmental Activities Fund:				
Assets:				
Cash and cash equivalents	\$ 337,217	\$ 225,762	\$ 222,255	\$ 340,724
Total assets	<u>\$ 337,217</u>	<u>\$ 225,762</u>	<u>\$ 222,255</u>	<u>\$ 340,724</u>
Liabilities:				
Accounts payable	\$ -	\$ 15	\$ -	\$ 15
Due to other governmental agency	<u>337,217</u>	<u>225,747</u>	<u>222,255</u>	<u>340,709</u>
Total liabilities	<u>\$ 337,217</u>	<u>\$ 225,762</u>	<u>\$ 222,255</u>	<u>\$ 340,724</u>



OTHER SUPPLEMENTAL SCHEDULES

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

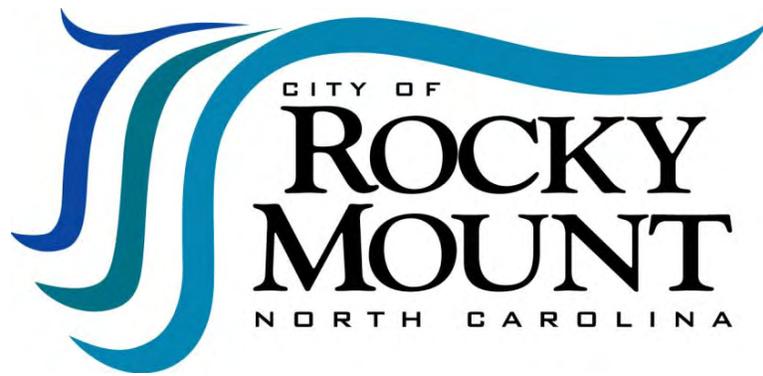
SCHEDULE OF AD VALOREM TAXES RECEIVABLE-GENERAL FUND
JUNE 30, 2009

Year	Uncollected Balance 6/30/2008	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2009
2008-2009	\$ -	19,184,758	18,132,030	1,052,728
2007-2008	964,767	346,008	849,559	461,216
2006-2007	468,493	807	183,876	285,424
2005-2006	241,489	582	42,339	199,732
2004-2005	178,902	-	21,498	157,404
2003-2004	176,269	-	19,633	156,636
2002-2003	173,159	-	15,218	157,941
2001-2002	124,780	-	9,528	115,252
2000-2001	114,581	-	13,757	100,824
1999-2000	111,253	-	6,166	105,087
1998-1999	83,878	-	34,621	49,257
1997-1998	49,139	-	34,019	15,120
1996-1997	12,732	-	12,732	-
	<u>\$ 2,699,442</u>	<u>\$ 19,532,155</u>	<u>\$ 19,374,975</u>	2,856,621
Allowance for uncollectible ad valorem taxes receivable				<u>(1,029,080)</u>
Ad valorem taxes receivable, net				<u>\$ 1,827,541</u>
Reconciliation with Revenue:				
Taxes				\$ 19,350,631
Penalties and interest				<u>(202,158)</u>
Total				<u>19,148,473</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				18,688,436
Prior years				<u>460,037</u>
				19,148,473
Releases and transfers from interest				133,861
Other				<u>92,641</u>
Total collections and credits				<u>\$ 19,374,975</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2009

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 2,519,659,007	0.58	\$ 14,614,024	\$ 14,614,024	\$ -
Personal property	697,565,340	0.58	4,045,879	2,458,970	1,586,909
Public service property	73,534,141	0.58	426,498	426,498	-
	<u>3,290,758,488</u>		<u>19,086,402</u>	<u>17,499,493</u>	<u>1,586,909</u>
Discoveries	150,525	0.50	753	753	-
Discoveries	426,804	0.55	2,348	2,348	-
Discoveries	5,253,639	0.58	30,471	30,471	-
Refunds	<u>11,169,740</u>	0.58	<u>64,784</u>	<u>64,784</u>	<u>-</u>
Total property valuation	<u>\$ 3,307,759,196</u>				
Net levy			19,184,758	17,597,849	1,586,909
Uncollected taxes at June 30, 2009			<u>1,052,729</u>	<u>633,103</u>	<u>419,626</u>
Current year's taxes collected			<u>\$ 18,132,029</u>	<u>\$ 16,964,746</u>	<u>\$ 1,167,283</u>
Percent of current year taxes collected			<u>94.51%</u>	<u>96.40%</u>	<u>73.56%</u>



CITY OF ROCKY MOUNT, NORTH CAROLINA

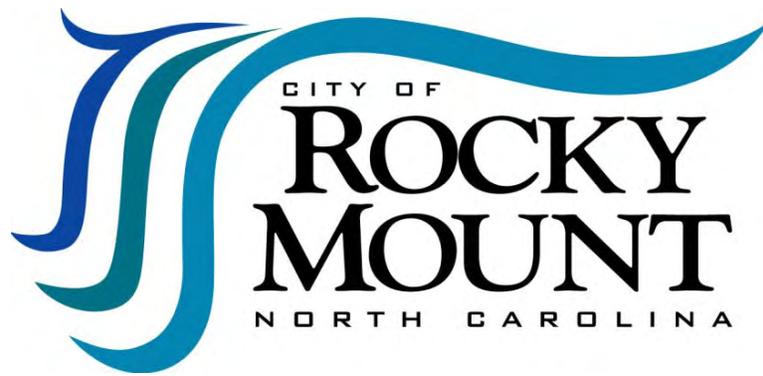
**SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Transfers to Fund:</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	
			<u>General Capital Project Fund</u>	<u>General Capital Development Projects Fund</u>
General	\$ -	\$ 200,000	\$ -	\$ 100,512
Stormwater	300,000	-	-	-
Capital Project Funds:				
General Capital Projects	143,000	100,000	-	-
Capital Development	704,780	-	325,000	-
Special Revenue:				
Entitlement Grants	123,251	-	-	-
Public Transportation	210,611	-	-	-
Crime/Safety Control	<u>5,896</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,487,538</u>	<u>\$ 300,000</u>	<u>\$ 325,000</u>	<u>\$ 100,512</u>

Schedule I-3

Enterprise Funds

<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Total</u>
\$ 1,600,000	\$ 1,000,000	\$ 350,000	\$ 3,250,512
-	-	-	300,000
-	-	-	243,000
-	-	-	1,029,780
-	-	-	123,251
-	-	-	210,611
-	-	-	5,896
<u>\$ 1,600,000</u>	<u>\$ 1,000,000</u>	<u>\$ 350,000</u>	<u>\$ 5,163,050</u>



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



CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Governmental Fund Capital Assets:		
Land and land improvements	\$ 27,033,461	\$ 26,237,791
Buildings	49,769,432	49,337,601
Equipment	38,047,825	35,455,211
Infrastructure	42,315,097	41,409,873
Construction in progress	1,661,127	227,368
Total governmental funds capital assets	<u>\$ 158,826,942</u>	<u>\$ 152,667,844</u>
Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 142,675,152	\$ 136,609,937
Special revenue funds	3,666,133	3,629,514
Joint Venture - Rocky Mount/Wilson Airport	12,485,657	12,428,393
Total governmental funds capital assets	<u>\$ 158,826,942</u>	<u>\$ 152,667,844</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2009**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
General Government:			
Mayor and Council	\$ 2,323,168	\$ -	\$ 12,486
City Clerk	1,780,719	142,691	57,427
City Manager	-	17,238	92,726
Finance	3,207	101,401	5,466,170
Central services	1,245,002	22,632,329	924,797
Human resources	-	5,229	12,116
Total general government	<u>5,352,096</u>	<u>22,898,888</u>	<u>6,565,722</u>
 Transit	 <u>62,267</u>	 <u>-</u>	 <u>3,603,866</u>
Public Safety:			
Police	7,239	400,258	5,085,367
Fire	63,312	5,108,235	6,319,834
Total public safety	<u>70,551</u>	<u>5,508,493</u>	<u>11,405,201</u>
 Public works	 <u>911,890</u>	 <u>3,291,958</u>	 <u>11,644,841</u>
 Engineering	 <u>611,327</u>	 <u>86,441</u>	 <u>1,127,640</u>
 Parks and recreation	 <u>18,525,542</u>	 <u>7,556,738</u>	 <u>3,141,600</u>
 Airport	 <u>1,499,788</u>	 <u>10,426,914</u>	 <u>558,955</u>
Total general capital assets	<u>\$ 27,033,461</u>	<u>\$ 49,769,432</u>	<u>\$ 38,047,825</u>

Note: Amounts presented above exclude accumulated depreciation.

Schedule J-2

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,335,654
-	-	\$ 1,980,837
-	1,155,695	\$ 1,265,659
-	-	\$ 5,570,778
754,987	-	\$ 25,557,115
-	-	\$ 17,345
<u>754,987</u>	<u>1,155,695</u>	<u>36,727,388</u>
-	-	\$ 3,666,133
-	-	\$ 5,492,864
-	-	\$ 11,491,381
-	-	16,984,245
<u>40,461,845</u>	<u>238,415</u>	<u>\$ 56,548,949</u>
-	-	\$ 1,825,408
<u>1,098,265</u>	<u>267,018</u>	<u>\$ 30,589,163</u>
-	-	\$ 12,485,657
<u>\$ 42,315,097</u>	<u>\$ 1,661,128</u>	<u>\$ 158,826,942</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, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
General Government:				
Mayor and Council	\$ 2,919,173	\$ -	\$ 583,518	\$ 2,335,655
City Clerk	1,920,427	98,142	37,732	\$ 1,980,837
City Manager	130,880	1,159,046	24,267	\$ 1,265,660
Finance	5,507,139	186,390	122,753	\$ 5,570,776
Central services	25,295,122	268,993	7,000	\$ 25,557,114
Human resources	17,345	-	-	\$ 17,345
Total general government	<u>35,790,087</u>	<u>1,712,570</u>	<u>775,270</u>	<u>36,727,387</u>
Transit	<u>3,629,514</u>	<u>227,681</u>	<u>191,062</u>	<u>3,666,133</u>
Public Safety:				
Police	5,257,849	732,458	497,444	\$ 5,492,863
Fire	<u>10,878,893</u>	<u>646,661</u>	<u>34,174</u>	<u>11,491,381</u>
Total public safety	<u>16,136,742</u>	<u>1,379,120</u>	<u>531,617</u>	<u>16,984,244</u>
Public works	<u>53,742,883</u>	<u>3,800,617</u>	<u>994,551</u>	<u>56,548,949</u>
Engineering	<u>1,202,712</u>	<u>622,695</u>	<u>-</u>	<u>1,825,408</u>
Parks and recreation	<u>29,737,513</u>	<u>1,100,491</u>	<u>248,841</u>	<u>30,589,163</u>
Airport	<u>12,428,393</u>	<u>57,264</u>	<u>-</u>	<u>12,485,657</u>
Total general fixed assets	<u>\$ 152,667,844</u>	<u>\$ 8,900,439</u>	<u>\$ 2,741,341</u>	<u>\$ 158,826,942</u>

Note: Amounts presented above exclude accumulated depreciation

STATISTICAL SECTION

(Unaudited)

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

Content

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET ASSETS BY COMPONENT

Last Eight Fiscal Years

(accrual basis of accounting)

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 64,765,579	\$ 75,228,740	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747
Restricted	8,553,951	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523
Unrestricted	26,949,295	20,290,635	15,538,639	16,957,667	18,404,926	24,105,474	26,804,792	20,930,383
Total governmental activities net assets	<u>\$ 100,268,825</u>	<u>\$ 102,770,186</u>	<u>\$ 104,776,424</u>	<u>\$ 105,323,678</u>	<u>\$ 106,063,710</u>	<u>\$ 107,684,247</u>	<u>\$ 111,347,407</u>	<u>\$ 109,913,653</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 94,318,972	\$ 103,171,226	\$ 101,634,397	\$ 97,762,992	\$ 101,764,488	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746
Restricted	1,970,295	-	-	-	-	-	-	-
Unrestricted	10,043,856	8,945,229	12,576,271	20,060,100	20,982,144	22,720,072	27,990,145	28,525,650
Total business-type activities	<u>\$ 106,333,123</u>	<u>\$ 112,116,455</u>	<u>\$ 114,210,668</u>	<u>\$ 117,823,092</u>	<u>\$ 122,746,632</u>	<u>\$ 130,484,391</u>	<u>\$ 137,722,575</u>	<u>\$ 143,575,396</u>
Primary government								
Invested in capital assets, net of related debt	\$ 159,084,551	\$ 178,399,966	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493
Restricted	10,524,246	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523
Unrestricted	36,993,151	29,235,864	28,114,910	37,017,767	39,387,070	46,825,546	54,794,937	49,456,033
Total primary government net assets	<u>\$ 206,601,948</u>	<u>\$ 214,886,641</u>	<u>\$ 218,987,092</u>	<u>\$ 223,146,770</u>	<u>\$ 228,810,342</u>	<u>\$ 238,168,638</u>	<u>\$ 249,069,982</u>	<u>\$ 253,489,049</u>
City of Rocky Mount Theatre, LLC								
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 724,066	\$ 1,122,029	\$ 898,194	\$ 672,079
Restricted	-	-	-	6,541,494	205,342	172,397	139,451	106,414
Unrestricted	-	-	-	-	(156,261)	100	100	100
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,147</u>	<u>\$ 1,294,526</u>	<u>\$ 1,037,745</u>	<u>\$ 778,593</u>

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Expenses										
Governmental activities:										
General government	\$ 11,565,140	\$ 16,192,131	\$ 10,456,214	\$ 7,965,851	\$ 7,447,378	\$ 6,042,747	\$ 5,134,845	\$ 5,828,638	\$ 6,637,786	\$ 6,710,733
Public safety	14,019,034	15,218,255	16,547,845	17,290,858	19,046,410	19,056,350	20,571,641	20,528,191	21,873,680	23,102,694
Public Works	8,794,122	9,488,276	7,239,307	7,770,378	7,839,918	7,154,328	8,603,044	8,105,415	8,722,496	8,858,447
Engineering	674,791	826,250	670,185	939,353	1,052,631	1,141,096	939,634	984,492	1,139,983	941,982
Parks and recreation	3,277,501	3,892,579	4,438,203	3,598,902	5,312,167	11,170,909	9,217,034	8,241,393	7,844,487	8,148,677
Public Service	5,688,012	6,434,759	4,935,785	6,668,176	4,722,023	4,861,481	3,354,839	4,944,155	5,629,301	6,349,205
Emergency management	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-	-	-
Hazard mitigation	-	27,594,527	23,977,937	5,848,692	462,728	93,386	344,245	-	-	-
Community revitalization	2,346,699	2,354,729	2,827,927	1,106,614	2,964,035	2,702,468	2,690,132	1,823,575	1,948,078	2,800,689
Interest on Long-term debt	79,520	120,820	359,316	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393
Total governmental activities expenses	53,994,352	84,071,727	72,737,513	52,891,986	49,275,972	54,800,823	51,961,832	50,916,521	54,283,578	57,400,820
Business-type activities:										
Electric	63,267,703	63,120,312	63,108,978	67,981,845	69,881,791	68,657,738	74,817,488	78,320,332	78,733,182	87,251,619
Gas	15,325,429	24,014,136	17,768,879	17,768,879	21,394,773	24,556,908	30,983,889	27,016,418	25,544,219	25,635,724
Water	7,472,626	8,410,813	9,745,637	7,925,757	8,555,812	8,289,814	8,499,790	8,817,067	8,715,519	9,793,758
Sewer	8,230,173	8,926,129	9,464,318	9,291,806	9,470,920	9,813,137	9,826,701	9,658,399	9,367,159	10,035,368
Storm Water Management	-	-	47,207	397,253	2,394,578	2,483,293	2,600,592	2,748,537	2,911,282	2,869,969
Total business-type activities expenses	94,295,931	104,471,390	98,165,905	103,365,540	111,697,874	113,800,890	126,728,460	126,560,753	125,271,361	135,586,437
Total primary government expenses	\$ 148,290,283	\$ 188,543,117	\$ 170,903,418	\$ 156,257,526	\$ 160,973,846	\$ 168,601,713	\$ 178,690,292	\$ 177,477,274	\$ 179,554,939	\$ 192,987,257
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 854,990	\$ 984,596	\$ 2,230,808	\$ 5,468,927	\$ 6,180,013	\$ 6,038,496	\$ 1,183,833	\$ 3,221,954	\$ 2,319,466	\$ 1,678,291
Public Safety	-	-	456,322	754,530	800,098	813,507	375,831	578,729	404,249	334,178
Public Works	3,791,380	4,256,544	4,654,684	5,339,853	5,077,156	4,377,217	5,521,528	5,781,811	6,027,232	5,994,818
Recreation	251,534	316,986	636,783	481,227	575,445	551,449	667,022	1,125,845	924,160	1,057,313
Public Service	-	-	217,787	120,443	175,941	183,969	5,967	1,500,327	1,598,478	1,577,139
Other activities	360,353	731,319	162,533	3,938	5,240	116,612	-	52,786	14,692	9,934
Operating grants and contributions	14,121,259	37,188,488	40,692,842	18,354,723	9,251,060	11,716,912	6,979,532	7,373,708	5,751,657	6,435,865
Capital grants and contributions	-	-	-	-	-	-	3,435,584	1,448,987	2,813,051	1,313,359
Total governmental activities program revenues	19,379,516	43,477,933	49,051,759	30,523,641	22,064,953	23,798,162	18,169,297	21,084,147	19,852,985	18,400,897
Business-type activities:										
Charges for services:										
Electric	61,493,313	62,597,012	63,314,751	68,933,540	70,818,385	70,680,615	78,174,288	83,074,744	83,286,304	90,529,005
Gas	16,684,499	24,530,267	16,212,913	19,470,776	23,173,028	27,176,264	31,684,789	29,526,454	28,547,960	29,689,679
Water	7,838,343	8,040,120	8,753,499	8,582,464	8,837,653	9,060,972	9,497,931	9,512,039	9,294,113	9,271,691
Sewer	8,867,975	9,492,301	10,250,919	9,091,467	8,723,827	9,230,978	10,232,023	10,601,619	10,245,779	10,641,539
Storm Water Management	-	-	-	2,020	2,366,558	2,464,505	2,673,764	2,666,750	2,691,342	2,918,743
Operating grants and contributions	-	-	14,881	499,791	296,007	-	50,000	-	-	-
Capital grants and contributions	1,200	183,525	373,726	1,667,740	47,975	56,385	101,379	-	-	105,536
Total business-type activities program revenues	94,885,330	104,843,225	98,920,689	106,746,798	114,263,433	118,669,719	132,414,174	135,381,606	134,065,498	143,156,193
Total primary government program revenues	\$ 114,264,846	\$ 148,321,158	\$ 147,972,448	\$ 137,270,439	\$ 136,328,386	\$ 142,467,881	\$ 150,583,471	\$ 156,465,753	\$ 153,918,483	\$ 161,557,090

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue										
Governmental activities	\$ (34,614,836)	\$ (40,593,794)	\$ (23,685,754)	\$ (22,568,345)	\$ (27,211,019)	\$ (31,002,661)	\$ (33,792,535)	\$ (29,832,374)	\$ (34,430,593)	\$ (38,999,923)
Business-type activities	589,399	371,835	754,784	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853	8,794,137	7,569,756
Total primary government net expense	\$ (34,025,437)	\$ (40,221,959)	\$ (22,930,970)	\$ (18,987,087)	\$ (24,645,460)	\$ (26,133,832)	\$ (28,106,821)	\$ (21,011,521)	\$ (25,636,456)	\$ (31,430,167)
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (99,747)	\$ (265,087)	\$ (263,362)	\$ (280,562)
Investment earnings	-	-	-	-	-	-	20,755	1,557	-	-
Operating grants and contributions	-	-	-	-	-	3,675,205	-	784,909	6,581	21,410
Capital grants and contributions	-	-	-	-	-	2,866,289	852,039	-	-	-
Total City of Rocky Mount Theatre, LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,541,494	\$ 773,047	\$ 521,379	\$ (256,781)	\$ (259,152)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 11,866,363	\$ 11,956,676	\$ 13,927,812	\$ 14,557,102	\$ 15,125,425	\$ 15,473,269	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521	\$ 19,499,709
Local option taxes	7,548,410	5,541,623	7,108,787	8,312,645	9,218,640	9,940,317	10,444,807	8,269,778	10,092,744	9,436,526
Alcoholic beverage taxes	36,074	57,430	48,015	41,181	35,424	43,801	42,158	-	-	-
Other taxes	5,262,093	5,204,563	2,369,740	2,380,508	2,394,114	2,523,858	5,000,150	3,475,190	3,383,805	3,749,239
Investment earnings	1,413,434	1,235,917	438,519	315,810	281,293	571,906	953,803	1,554,069	980,278	436,902
Miscellaneous	13,598,737	4,434,935	1,838,285	1,507,250	1,584,818	1,550,358	(406,432)	460,298	2,618,315	1,793,793
Transfers	4,092,898	4,136,585	3,437,735	(2,244,790)	577,543	1,446,406	1,646,500	2,212,445	2,830,090	2,650,000
Total governmental activities	43,818,009	32,567,729	29,168,893	24,869,706	29,217,257	31,549,915	33,220,048	33,629,804	38,093,753	37,566,169
Business-type activities										
Investment earnings	231,755	714,322	269,709	157,284	106,197	190,001	884,326	1,244,435	1,274,137	933,065
Transfers	(4,092,898)	(4,136,585)	(3,437,735)	2,244,790	(577,543)	(1,446,406)	(1,646,500)	(2,212,445)	(2,830,090)	(2,650,000)
Total business-type activities	(3,861,143)	(3,422,263)	(3,168,026)	2,402,074	(471,346)	(1,256,405)	(762,174)	(988,010)	(1,555,953)	(1,716,935)
Total primary government	\$ 39,956,866	\$ 29,145,466	\$ 26,000,867	\$ 27,271,780	\$ 28,745,911	\$ 30,293,510	\$ 32,457,874	\$ 32,661,794	\$ 36,537,800	\$ 35,849,234
Change in Net Assets										
Governmental activities	\$ 9,203,173	\$ (8,026,065)	\$ 5,483,139	\$ 2,501,361	\$ 2,006,238	\$ 547,254	\$ (572,487)	\$ 3,797,430	\$ 3,663,160	\$ (1,433,754)
Business-type activities	(3,271,744)	(3,050,428)	(2,413,242)	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843	7,238,184	5,852,821
Total primary government	\$ 5,931,429	\$ (11,076,493)	\$ 3,069,897	\$ 8,284,693	\$ 4,100,451	\$ 4,159,678	\$ 4,351,053	\$ 11,650,273	\$ 10,901,344	\$ 4,419,067
Total City of Rocky Mount Theatre, LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,541,494	\$ 773,047	\$ 521,379	\$ (256,781)	\$ (259,152)

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 9,134,951	\$ 11,029,686	\$ 8,235,220	\$ 6,456,306	\$ 7,381,918	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999	\$ 11,440,979
Unreserved	9,751,041	6,590,128	8,100,535	11,208,057	9,810,279	9,275,498	10,754,957	11,390,174	15,165,835	12,427,688
Total General Fund	\$ 18,885,992	\$ 17,619,814	\$ 16,335,755	\$ 17,664,363	\$ 17,192,197	\$ 17,542,848	\$ 17,935,975	\$ 22,730,906	\$ 26,297,834	\$ 23,868,667
All other governmental funds										
Reserved	\$ 7,005,204	\$ 11,293,362	\$ 12,922,826	\$ 11,526,310	\$ 18,743,796	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285	\$ 730,296	\$ 393,710
Unreserved, reported in:										
Special revenue funds	(1,244,559)	(6,645,737)	(1,708,564)	(823,773)	3,711,268	1,406,578	862,741	1,842,385	1,336,395	1,836,760
Capital projects funds	6,583,263	936,396	1,163,555	1,121,206	236,233	(1,542,598)	(1,029,988)	488,298	947,958	2,616,371
Total all other governmental funds	\$ 12,343,908	\$ 5,584,021	\$ 12,377,817	\$ 11,823,743	\$ 22,691,297	\$ 11,508,838	\$ 6,598,151	\$ 3,894,968	\$ 3,014,649	\$ 4,846,841
Total governmental funds	\$ 31,229,900	\$ 23,203,835	\$ 28,713,572	\$ 29,488,106	\$ 39,883,494	\$ 29,051,686	\$ 24,534,126	\$ 26,625,874	\$ 29,312,483	\$ 28,715,508

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Ad valorem taxes	\$ 11,866,363	\$ 11,956,676	\$ 13,325,153	\$ 14,520,896	\$ 15,166,045	\$ 15,480,246	\$ 15,539,062	\$ 17,557,400	\$ 17,911,751	\$ 19,410,649
Intergovernmental revenues	26,664,597	47,358,348	45,515,241	29,970,198	22,271,559	25,003,998	22,438,252	21,627,094	22,735,263	22,209,500
Licenses and permits	854,990	984,596	1,018,506	1,014,465	959,509	1,062,447	1,154,278	1,093,244	1,065,569	950,558
Sales and services	4,403,267	5,304,849	5,585,671	6,412,018	6,287,858	5,776,514	7,087,149	7,440,276	7,088,107	7,442,379
Investment earnings	1,413,434	1,235,917	543,329	386,621	325,595	571,907	953,803	1,137,780	980,278	436,902
Contributions	-	-	-	-	-	-	1,750	-	-	-
Project revenue	303,239	633,756	798,228	639,197	755,317	953,509	1,956,496	2,248,049	2,240,943	2,369,044
Miscellaneous	5,308,462	3,689,830	7,292,006	1,728,283	1,515,686	1,616,700	1,328,766	1,167,288	1,839,066	1,311,417
Total revenues	50,814,352	71,163,972	74,078,134	54,671,678	47,281,569	50,465,321	50,459,556	52,271,131	53,860,977	54,130,449
Expenditures										
Current:										
General government	5,262,808	5,148,988	4,726,847	4,668,845	4,035,859	5,158,843	4,699,327	4,962,300	5,443,209	5,752,575
Public safety	14,017,746	15,218,255	15,717,144	16,565,970	18,364,648	18,942,217	19,243,723	19,847,153	21,299,722	22,687,684
Public service	3,383,917	5,042,046	5,881,541	8,383,109	4,404,003	6,556,720	4,989,178	4,907,501	3,801,544	4,801,568
Public works	8,794,122	9,488,276	8,715,214	8,660,280	8,683,760	8,163,894	8,407,965	8,687,750	8,749,217	10,339,464
Engineering	674,791	826,250	767,112	903,440	990,811	1,091,174	1,012,595	983,545	1,139,983	1,176,520
Parks and recreation	3,277,501	3,892,579	4,000,232	3,853,802	4,459,702	5,320,805	5,205,534	6,986,768	6,834,700	7,160,670
Community revitalization	2,346,699	2,354,729	2,583,532	1,432,762	3,008,056	2,702,468	2,690,490	1,823,575	1,948,078	2,645,895
Emergency management	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-	-	-
Hazard Mitigation	-	27,594,527	23,979,181	5,847,233	469,501	93,386	344,245	-	-	-
Capital projects:										
General government	4,766,012	8,845,997	1,103,937	60,052	31,604	34,323	136,122	117,391	25,000	252,543
Public safety	1,288	-	560,155	951,801	944,470	413,219	65,665	875,842	99,006	856,699
Parks and recreation	-	-	1,720,458	2,405,976	2,461,473	10,643,850	10,254,898	1,044,288	1,907,827	861,726
Public service	2,304,095	1,392,713	101,110	92,048	217,888	47,341	2,763	36,654	1,644,876	1,346,759
Community revitalization	-	-	-	-	-	-	-	-	-	154,794
Debt service:										
Principal	1,536,320	2,197,146	2,179,559	1,443,233	1,938,575	2,629,979	2,481,687	2,690,399	2,247,878	2,979,134
Interest	79,520	120,820	359,316	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393
Total expenditures	53,994,352	84,071,727	73,680,132	56,971,713	50,439,032	64,376,277	60,640,610	53,423,828	55,628,808	61,504,424
Excess of revenues over (under) expenditures	(3,180,000)	(12,907,755)	398,002	(2,300,035)	(3,157,463)	(13,910,956)	(10,181,054)	(1,152,697)	(1,767,831)	(7,373,975)

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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Other financing sources (uses)										
Transfers in	5,159,217	5,259,540	4,048,781	4,215,042	3,648,625	3,906,689	3,934,664	4,071,907	6,233,811	4,863,050
Transfers out	(1,066,319)	(1,122,955)	(611,046)	(1,898,473)	(2,669,775)	(2,460,283)	(2,288,164)	(1,859,462)	(3,365,371)	(2,213,050)
Capital contributions	-	-	-	-	-	100,388	-	-	-	-
Debt financing	-	-	-	-	-	-	-	-	-	1,305,000
Proceeds from installment purchase agreement	8,290,275	745,105	1,674,000	758,000	12,574,001	1,532,354	725,000	1,032,000	1,586,000	2,822,000
Total other financing sources (uses)	12,383,173	4,881,690	5,111,735	3,074,569	13,552,851	3,079,148	2,371,500	3,244,445	4,454,440	6,777,000
Net change in fund balance	\$ 9,203,173	\$ (8,026,065)	\$ 5,509,737	\$ 774,534	\$ 10,395,388	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609	\$ (596,975)
Total debt service	\$ 1,615,840	\$ 2,317,966	\$ 2,538,875	\$ 2,058,423	\$ 2,367,257	\$ 2,944,236	\$ 3,588,105	\$ 3,151,061	\$ 2,735,646	\$ 3,467,527
Total expenditures	\$ 53,994,352	\$ 84,071,727	\$ 73,680,132	\$ 56,971,713	\$ 50,439,032	\$ 64,376,277	\$ 60,640,610	\$ 53,423,828	\$ 55,628,808	\$ 61,504,424
Capital outlay primary government only	11,531,331	15,035,847	11,105,576	7,887,858	6,978,233	14,855,440	10,010,640	5,283,290	4,528,713	6,945,548
Non-capital expenditures	\$ 42,463,021	\$ 69,035,880	\$ 62,574,556	\$ 49,083,855	\$ 43,460,799	\$ 49,520,837	\$ 50,629,970	\$ 48,140,538	\$ 51,100,095	\$ 54,558,876

Debt service as a percentage of non-capital expenditures	3.81%	3.36%	4.06%	4.19%	5.45%	5.95%	7.09%	6.55%	5.35%	6.36%
---	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Service	Public Works and Engineering	Parks & Recreation	Emergency Management Hazard Mitigation	Community Revitalization	Capital Projects	Debt Service	Total Expenditures
2000	\$ 5,262,808	\$ 14,017,746	\$ 3,383,917	\$ 9,468,913	\$ 3,277,501	\$ 7,549,533	\$ 2,346,699	\$ 7,071,395	\$ 1,615,840	\$ 53,994,352
2001	5,148,988	15,218,255	5,042,046	10,314,526	3,892,579	29,543,928	2,354,729	10,238,710	2,317,966	84,071,727
2002	5,830,784	16,277,299	5,982,651	9,482,326	5,720,690	25,263,975	2,583,532	-	2,538,875	73,680,132
2003	4,728,897	17,517,771	8,475,157	9,563,720	6,259,778	6,935,205	1,432,762	-	2,058,423	56,971,713
2004	4,067,463	19,309,118	4,621,891	9,674,571	6,921,175	469,501	3,008,056	-	2,367,257	50,439,032
2005	5,193,166	19,355,436	6,604,061	9,255,068	15,964,655	2,357,187	2,702,468	-	2,944,236	64,376,277
2006	4,835,449	19,309,388	4,991,941	9,420,560	15,460,432	344,245	2,690,490	-	3,588,105	60,640,610
2007	5,079,691	20,722,995	4,944,155	9,671,295	8,031,056	-	1,823,575	-	3,151,061	53,423,828
2008	5,468,209	21,398,728	5,446,420	9,889,200	8,742,527	-	1,948,078	-	2,735,646	55,628,808
2009	6,005,118	23,544,383	6,148,327	11,515,984	8,022,396	-	2,800,689	-	3,467,527	61,504,424

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years

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

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

Note: Ad valorem taxes includes penalties & interest

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

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

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				Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property		Commercial Property					
	Nash	Edgecombe	Nash	Edgecombe				
2000	\$ 825,232,307	\$ 246,161,722	\$ 622,543,670	\$ 33,567,508	\$ 2,552,817,826	0.46	\$ 3,026,780,395	84.34%
2001	830,885,152	244,581,854	626,808,097	33,352,071	2,522,786,778	0.46	3,250,309,935	77.62%
2002 (5)	1,017,812,950	288,993,512	767,823,805	39,408,206	2,999,169,254	0.44	3,083,727,540	97.26%
2003	1,037,986,053	256,099,724	783,042,111	85,366,575	2,968,390,800	0.48	3,177,764,775	93.41%
2004	1,054,977,251	253,503,275	795,860,032	84,501,092	2,935,589,845	0.50	3,176,490,414	92.42%
2005	1,077,695,549	262,120,334	812,998,397	78,295,684	3,011,488,351	0.50	3,256,634,332	92.47%
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	3,068,079,978	0.50	3,436,851,062	89.27%
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	3,127,185,203	0.55	3,646,921,975	85.75%
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	3,232,396,715	0.55	3,795,146,495	85.17%
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	3,307,759,196	0.58	3,392,345,413	97.51%

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

Notes:

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$100 of assessed value)

<u>City of Rocky Mount</u>				<u>Overlapping Rates Edgecombe County</u>			<u>Total Direct and Overlapping Rates (Edgecombe County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>School Millage (2)</u>	<u>Total County Millage</u>	
2000	0.46	-	0.46	0.91	-	0.91	1.37
2001	0.46	-	0.46	0.87	-	0.87	1.33
2002	0.44	-	0.44	0.87	-	0.87	1.31
2003	0.48	-	0.48	0.91	-	0.91	1.39
2004	0.50	-	0.50	0.91	-	0.91	1.41
2005	0.50	-	0.50	0.93	-	0.93	1.43
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49
2008	0.55	-	0.55	0.94	-	0.94	1.49
2009	0.58	-	0.58	0.94	-	0.94	1.52

<u>City of Rocky Mount</u>				<u>Overlapping Rates Nash County</u>		<u>Total Direct and Overlapping Rates (Nash County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Municipal Service District Tax (1)</u>	
2000	0.46	-	0.46	0.69	0.20	1.35
2001	0.46	-	0.46	0.66	0.20	1.32
2002	0.44	-	0.44	0.66	0.20	1.30
2003	0.48	-	0.48	0.66	0.20	1.34
2004	0.50	-	0.50	0.66	0.20	1.36
2005	0.50	-	0.50	0.66	0.20	1.36
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.70	0.20	1.45
2008	0.55	-	0.55	0.70	0.20	1.45
2009	0.58	-	0.58	0.70	0.20	1.48

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 TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Type of Business	2009			2000		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc ^a	Pharmaceuticals	\$ 120,544,610	1	3.64 %	\$ 69,203,003	1	2.71 %
Centura Bank Inc	Banking	43,484,822	2	1.31	32,115,044	4	1.26
Edgecombe Genco LLC ^c	Electrical Energy Producer	42,881,241	3	1.30	62,077,675	2	2.43
Carolina Telephone Company	Communications	40,649,973	4	1.23	36,000,281	3	1.41
Hendon Golden East LLC ^b	Retail Shopping Center	24,774,518	5	0.75	27,311,609	7	1.07
Kaba Ilco Corp ^c	Key & Security System Manufacturer	21,574,755	6	0.65	27,151,227	8	1.06
Cobb Corners Ltd. Partnership	Retail Shopping Center	16,914,055	7	0.51			
Honeywell International Inc ^d	Aircraft Manufacturer	15,422,107	8	0.47	31,317,483	5	1.23
Ford's Colony at RY Mount LLC	Community Development Company	15,088,893	9	0.46			
Oakwood Properties LLC	Housing/Rental Properties	13,530,164	10	0.41			
AT & T	Communications				31,314,829	6	1.23
Amoco Fabrics and Fibers	Textile Manufacturer				23,358,206	9	0.91
Thorpe-Greenville Export Tobacco Co.	Tobacco Company				18,836,936	10	0.74
Total		\$ 354,865,138		10.73 %	\$ 358,686,293		14.05 %

Source: City of Rocky Mount Finance Dept

^a Formerly Abbott Laboratories

^b Formerly C F Golden East L P

^c Formerly Ilco Unican Corporation

^d Formerly Allied Signal

^e Cogentrix of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2000	11,742,961	221,913	11,964,874	10,931,751	93.09	928,138	11,859,889	99.12 %
2001	11,604,820	406,283	12,011,103	11,122,043	95.84	788,238	11,910,281	99.16
2002	13,205,016	323,838	13,528,854	12,411,433	93.99	1,002,164	13,413,597	99.15
2003	14,241,109	277,126	14,518,235	13,464,833	94.55	895,460	14,360,293	98.91
2004	14,676,242	312,813	14,989,055	14,046,434	95.71	785,985	14,832,419	98.95
2005	15,314,550	364,564	15,679,114	14,652,620	95.68	869,090	15,521,710	99.00
2006	15,188,026	459,395	15,647,421	14,663,915	96.55	783,775	15,447,690	98.72
2007	17,089,087	444,283	17,533,370	16,403,053	95.99	844,893	17,247,946	98.37
2008	17,697,125	425,342	18,122,467	16,811,692	95.00	849,559	17,661,251	97.46
2009	19,086,402	98,356	19,184,758	18,132,030	95.00		18,132,030	94.51

Source: City of Rocky Mount Finance Department

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC UTILITY REVENUE RATES

Fiscal Year 2008 -2009

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	Monthly Energy Charge-First 750 kWh/kwh	Monthly Energy Charge-Next 1250 kWh/kwh	Monthly Energy Charge-All Over 2000 kWh/kwh	Monthly Energy Charge-First 2000 kWh/kwh	Monthly Energy Charge-Additional kWh/kwh
Residential 7/08-2/09		9.23	22.45				0.113880				
Residential 3/09-6/09		10.00	25.00				0.131538				
Small General Service 7/08-2/09		17.60	30.82				0.138100	0.112510	0.105470		
Small General Service 3/09-6/09		18.22	31.90				0.158244	0.131759	0.124472		
Medium General Service 7/08-2/09		17.60	30.82				0.080660				
Medium General Service 3/09-6/09		19.01	33.29				0.097561				
Large General Service 7/08-2/09	733.82						0.057540				
Large General Service 3/09-6/09	807.20						0.073988				
Coordinated Demand Control Service 7/08-2/09				175.63	643.97	1,229.41	0.047440				
Coordinated Demand Control Service 3/09-6/09				189.68	695.49	1,327.76	0.058375				
Med General Seasonal/Intermittent 7/08-2/09		17.60	30.82							0.123350	0.094740
Med General Seasonal/Intermittent 3/09-6/09		26.60	40.88							0.145534	0.115393

Source: City of Rocky Mount Administrative Policy

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC UTILITY REVENUE RATES

Last Ten Fiscal Years

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Residential-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	7.31	7.31	7.79	7.79	8.16	8.26	9.23	9.23	9.23	10.00
Monthly Customer Charge-Three Phase(add amount to single)	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22	13.22	15.00
Monthly Energy Charge/kWH	-	-	-	-	-	-	0.12	0.11	0.11	0.13
Monthly Energy Charge/kWH-Summer	0.09	0.09	0.10	0.10	0.11	0.11	-	-	-	-
Monthly Energy Charge/kWH-Winter	0.08	0.08	0.09	0.09	0.09	0.09	-	-	-	-
Small General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60	18.22
Monthly Customer Charge-Three Phase(add amount to single)	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22	13.22	13.68
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.11	0.11	0.11	0.11	0.12	0.12	0.14	0.14	0.14	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.09	0.09	0.09	0.09	0.10	0.10	0.11	0.11	0.11	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.08	0.08	0.08	0.09	0.09	0.09	0.11	0.11	0.11	0.12
Medium General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60	19.01
Monthly Customer Charge-Three Phase(add amount to single)	10.46	10.46	11.15	11.15	11.68	11.83	13.22	13.22	13.22	14.28
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.08	0.10
Large General Service-rates at fiscal year-end										
Monthly Customer Charge	581.00	581.00	619.00	619.00	656.71	733.82	733.82	733.82	733.82	807.20
Monthly Energy Charge/kWH	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.07

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC UTILITY REVENUE RATES

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Coordinated Demand Control Service-rates fiscal end										
Monthly Customer Charge-Under 1,000 kW	100.00	100.00	150.00	150.00	157.17	157.17	175.63	175.63	175.63	189.68
Monthly Customer Charge-1,000 -2,500 kW	500.00	500.00	550.00	550.00	576.30	576.30	643.97	643.97	643.97	695.49
Monthly Customer Charge-Over 2,500 kW	1,000.00	1,000.00	1,050.00	1,050.00	1,100.22	1,100.22	1,229.41	1,229.41	1,229.41	1,327.76
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06
Med General Seasonal/Intermittent-rates fiscal end										
Monthly Customer Charge-Single Phase	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60	26.60
Monthly Customer Charge-Three Phase	10.47	10.47	26.00	26.00	27.24	27.58	30.82	30.82	30.82	40.88
Monthly Energy Charge-First 2000 kWH/kWH	0.09	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.12	0.15
Monthly Energy Charge-Additional kWH/kWH	0.07	0.07	0.08	0.08	0.08	0.08	0.10	0.09	0.09	0.12

Source: City of Rocky Mount Administrative Policy

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

PRINCIPAL ELECTRIC REVENUE PAYERS BY BUSINESS TYPE

Current Year and Nine Years Ago

Type of Business	2009			2000		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue
Hospital	\$ 2,000,392	1	2.20%	\$ 1,244,710	3	2.02%
Key & Security System Manufacturer	912,919	2	1.00%	755,000	5	1.23%
Bread Distributor	911,595	3	1.00%	470,060	7	0.76%
Food Distributor	860,456	4	0.95%	446,976	8	0.73%
Plastic Packaging Manufacturer	842,176	5	0.93%	-		
Bakery Production Facility	836,686	6	0.92%	-		
Communications	635,251	7	0.70%	496,371	6	0.81%
Department Store	601,793	8	0.66%			
Elevator Products Manufacturer	521,465	9	0.57%	-		
Bakery Production Facility	407,958	10	0.45%	-		
Textile Manufacturer	-			2,570,381	1	4.18%
Textile Manufacturer	-			1,587,018	2	2.58%
Textile Manufacturer	-			885,146	4	1.44%
Wire Manufacture	-			353,203	9	0.57%
Food Distributor	-			295,087	10	0.48%
	<u>\$ 8,530,691</u>		<u>9.37%</u>	<u>\$ 9,103,952</u>		<u>14.80%</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Power	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2000	\$ 61,493,313	\$ 50,456,258	\$ 11,407,782	\$ (370,727)	\$ (1,335,245)	\$ (1,705,972)	\$ (1,492,898)	\$ (3,198,870)	-5.2%
2001	62,597,012	50,325,654	11,494,779	776,579	(950,724)	(174,145)	(1,553,180)	(1,727,325)	-2.8%
2002	63,299,637	50,524,960	11,150,468	1,624,209	(1,361,598)	262,611	(1,637,500)	(1,374,889)	-2.2%
2003	68,690,602	55,041,060	12,373,660	1,275,882	60,697	1,336,579	(1,673,704)	(337,125)	-0.5%
2004	70,099,299	56,464,242	12,811,149	823,908	358,607	1,182,515	(1,729,180)	(546,665)	-0.8%
2005	69,650,344	56,336,079	11,912,498	1,401,767	598,235	2,000,002	(946,406)	1,053,596	1.5%
2006	78,239,181	62,244,977	11,847,200	4,147,004	(155,379)	3,991,625	(1,016,500)	2,975,125	3.8%
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969	(1,450,000)	3,814,969	4.6%
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859	(1,500,000)	3,612,859	4.3%
2009	90,529,005	73,432,691	13,252,151	3,844,163	(84,844)	3,759,318	(1,600,000)	2,159,318	2.4%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Nonoperating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
2000	\$ 61,422,115	\$ 68,446	\$ -	\$ 1,000	\$ 67,418	\$ 61,558,979
2001	61,964,201	483,024	-	2,321	346,834	62,796,380
2002	62,922,924	376,713	-	-	71,952	63,371,589
2003	67,987,358	703,244	56,028	426,844	20,540	69,194,014
2004	69,947,046	152,253	508,908	285,907	18,799	70,912,913
2005	69,259,750	390,594	794,744	-	20,108	70,465,196
2006	77,276,496	962,685	-	250,000	319,932	78,809,113
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301
2008	81,823,996	1,462,308	-	-	559,737	83,846,041
2009	89,004,211	1,524,794	-	-	481,932	91,010,936

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES Last Ten Fiscal Years

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2000	\$ 16,684,499	\$ 11,154,320	\$ 3,911,375	\$ 1,618,804	\$ (216,732)	\$ 1,402,072	\$ (2,000,000)	\$ (597,928)	-3.6%
2001	24,530,267	19,292,534	4,503,133	734,600	(186,598)	548,002	(1,777,590)	(1,229,588)	-5.0%
2002	16,093,258	11,191,724	4,252,940	648,594	(149,639)	498,955	(1,041,735)	(542,780)	-3.4%
2003	19,385,470	13,281,194	4,388,581	1,715,695	(43,744)	1,671,951	114,465	1,786,416	9.2%
2004	23,085,573	15,947,768	4,980,597	2,157,208	(408,720)	1,748,488	-	1,748,488	7.6%
2005	27,087,316	20,022,261	4,463,489	2,601,566	28,994	2,630,560	(700,000)	1,930,560	7.1%
2006	31,684,789	26,372,355	4,436,476	875,958	59,438	935,396	(1,000,000)	(64,604)	-0.2%
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923	(900,000)	1,917,923	6.5%
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384	(1,125,000)	2,193,384	7.7%
2009	29,689,679	20,694,036	4,764,483	4,231,160	42,974	4,274,134	(1,000,000)	3,274,134	11.0%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES BY SOURCE Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>User Charges</u>	<u>Other Operating Revenues</u>	<u>Investment Earnings</u>	<u>Total Revenues</u>
2000	\$ 16,679,016	\$ 1,699	\$ 43,002	\$ 16,723,717
2001	24,530,267	529	31,871	24,562,667
2002	16,207,098	201	49,235	16,256,534
2003	19,385,219	251	33,757	19,419,227
2004	23,036,682	48,891	24,662	23,110,235
2005	27,087,066	250	62,244	27,149,560
2006	31,684,589	200	234,496	31,919,285
2007	29,526,454	-	307,887	29,834,341
2008	28,531,480	16,480	314,643	28,862,603
2009	29,655,658	34,021	220,179	29,909,858

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2000	\$ 7,838,343	\$ 6,892,215	\$ 946,128	\$ (508,785)	\$ 437,343	\$ (600,000)	\$ (162,657)	-2.1%
2001	8,040,120	7,890,681	149,439	(300,478)	(151,039)	(759,112)	(910,151)	-11.3%
2002	8,344,267	7,458,940	885,327	(1,905,940)	(1,020,613)	(571,288)	(1,591,901)	-19.1%
2003	8,375,012	7,265,783	1,109,229	(396,474)	712,755	3,311,234	4,023,989	48.0%
2004	8,617,670	7,836,436	781,234	(392,638)	388,596	(133,373)	255,223	3.0%
2005	8,788,591	7,747,906	1,040,685	(242,086)	798,599	(600,000)	198,599	2.3%
2006	9,514,292	8,099,827	1,414,465	(231,641)	1,182,824	(330,000)	852,824	9.0%
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664	(350,000)	559,664	5.9%
2008	9,294,113	8,489,576	804,537	(40,717)	763,820	(119,000)	644,820	6.9%
2009	9,273,368	9,636,746	(363,377)	29,863	(333,514)	(350,000)	(683,514)	-7.4%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE
Last Ten Fiscal Years

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

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Inside City</u>	<u>Outside City</u>	<u>Municipal</u>	<u>Other</u>	<u>Total Revenues</u>
2000	\$ 6,725,743	\$ 538,283	\$ 447,537	\$ 2,197	\$ 7,713,760
2001	6,935,668	492,077	530,640	4,588	7,962,973
2002	7,393,400	597,470	744,940	4,085	8,739,896
2003	6,752,354	663,394	782,400	2,296	8,200,445
2004	6,843,878	717,074	871,724	1,773	8,434,449
2005	7,130,536	738,940	796,923	2,230	8,668,630
2006	7,674,909	835,590	818,929	380	9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877
2008	7,241,132	863,623	955,214	-	9,059,969
2009	7,285,379	633,808	1,090,948	-	9,010,135

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2000	\$ 8,867,975	\$ 7,562,064	\$ 1,305,911	\$ (618,200)	\$ 687,711	\$ -	\$ 687,711	7.8%
2001	9,492,301	8,207,636	1,284,665	(574,337)	710,328	106,308	816,636	8.6%
2002	9,987,299	8,281,116	1,706,183	(815,637)	890,546	186,514	1,077,060	10.8%
2003	8,989,252	8,633,456	355,796	(499,239)	(143,443)	663,944	520,501	5.8%
2004	8,623,692	8,890,909	(267,217)	(458,661)	(725,878)	31,678	(694,200)	-8.0%
2005	9,213,340	9,335,446	(122,106)	(331,288)	(453,394)	-	(453,394)	-4.9%
2006	10,311,549	9,395,580	915,969	(346,652)	569,317	-	569,317	5.5%
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415	(22,445)	1,009,970	9.5%
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230	(386,090)	595,140	5.8%
2009	10,641,539	9,729,040	912,499	(218,125)	694,375	-	694,375	6.5%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE Last Ten Fiscal Years

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

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND USER CHARGES

Last Ten Fiscal Years

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORM WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
2001	-	-	-	-	-	-	-	0.0%
2002	-	47,207	(47,207)	-	(47,207)	-	(47,207)	0.0%
2003	-	390,467	(390,467)	-	(390,467)	-	(390,467)	0.0%
2004	2,246,746	2,287,496	(40,750)	(650)	(41,400)	1,301,307	1,259,907	56.1%
2005	2,333,267	2,339,776	(6,509)	17,261	10,752	800,000	810,752	34.7%
2006	2,673,764	2,227,602	446,162	(295,883)	150,279	700,000	850,279	31.8%
2007	2,666,750	2,738,985	(72,235)	112,552	40,317	510,000	550,317	20.6%
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)	300,000	191,981	7.1%
2009	2,918,743	2,849,727	69,016	39,492	108,508	300,000	408,508	14.0%

Source: Audited financial reports of the City of Rocky Mount

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE Last Six Fiscal Years

<u>Fiscal Year</u>	<u>User Charges</u>	<u>Other Operating Revenues</u>	<u>Investment Earnings</u>	<u>Total Revenues</u>
2004	\$ 2,246,746	\$ -	\$ 2,137	\$ 2,248,883
2005	2,333,267	-	23,603	2,356,870
2006	2,673,764	-	77,107	2,750,871
2007	2,666,750	-	122,104	2,788,854
2008	2,691,342	-	111,921	2,803,263
2009	2,918,643	100	59,734	2,978,477

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Six Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Family</u>	<u>Commercial</u>	<u>Total Revenues</u>
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	1,751,733	170,866	744,151	2,666,750
2008	1,762,811	184,058	744,473	2,691,342
2009	1,932,549	195,884	790,210	2,918,643

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Business-Type Activities										Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Governmental Activities					Business-Type Activities							
	Capital Leases	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	Percentage of Personal Income ^a			
2000	\$ 9,270,565	\$ 8,197,724	\$ 11,467,276	\$ -	\$ 8,607,670	\$ 37,543,235	1.10%	647.23					
2001	8,364,882	7,429,109	10,130,891	-	6,635,260	32,560,142	0.92%	581.29					
2002	7,859,323	6,669,114	8,805,886	-	6,484,671	29,818,994	0.84%	532.50					
2003	6,907,494	5,781,335	7,633,665	-	3,881,565	24,204,059	0.66%	430.61					
2004	17,435,317	4,908,640	6,481,360	-	3,058,425	31,883,742	0.83%	567.97					
2005	16,519,537	4,051,029	5,348,971	592,893	9,219,339	35,731,769	0.91%	634.57					
2006	14,828,599	3,210,656	4,239,344	1,194,328	8,987,480	32,460,407	0.78%	576.66					
2007	15,260,314	2,385,366	3,149,634	4,253,610	7,717,568	32,766,492	0.77%	581.34					
2008	14,623,336	1,577,315	2,082,685	4,255,536	7,826,068	30,364,940	0.68%	538.73					
2009	14,466,200	782,193	1,032,807	4,033,543	10,216,290	30,531,033	not available	515.48					

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund					
2000	\$ 19,665,000	\$ -	\$ 19,665,000	1.42%	0.65%	\$ 339	
2001	17,560,000	-	17,560,000	1.27%	0.54%	313	
2002	15,475,000	-	15,475,000	1.12%	0.50%	276	
2003	13,415,000	-	13,415,000	0.95%	0.42%	239	
2004	11,390,000	-	11,390,000	0.77%	0.36%	203	
2005	9,400,000	-	9,400,000	0.62%	0.29%	167	
2006	7,450,000	-	7,450,000	0.46%	0.22%	132	
2007	5,535,000	-	5,535,000	0.34%	0.15%	98	
2008	3,660,000	-	3,660,000	0.21%	0.10%	65	
2009	1,815,000	-	1,815,000	not available	0.05%	31	

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING Bonded Debt as of June 30, 2009

Name of Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Rocky Mount ¹	City of Rocky Mount Share of Debt
Direct Debt			
City of Rocky Mount:			
Sanitary Sewer	\$ 1,032,807	100.0%	\$ 1,032,807
Water	782,193	100.0%	782,193
	1,815,000		1,815,000
Total Direct Debt			
	1,815,000		1,815,000
Overlapping Debt			
Edgecombe County:			
Water & Sewer	10,639,500	18.0%	1,915,110
Water & Sewer Bond Anticipation Notes	2,072,000	18.0%	372,960
Nash County	-	82.0%	-
	12,711,500		2,288,070
Total Overlapping Debt			
	12,711,500		2,288,070
Total direct and overlapping debt			
	\$ 14,526,500		\$ 4,103,070

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621
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 2009

Assessed Value	\$3,307,759,196
Debt Limit (8% of total assessed value) (1)	264,620,736
Debt applicable to limitation: Total outstanding bonded debt at 6/30/09	1,815,000
Less: Statutory deductions (2 and 3) Bonds issued and outstanding for water purposes Bonds issued and outstanding for sewer purposes	782,193 1,032,807 1,815,000
Total amount of debt applicable to debt limit	-
Legal debt margin	\$ 264,620,736

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

PLEDGED REVENUE COVERAGE - WATER & SEWER

Last Ten Fiscal Years

Sewer Bonds									
Fiscal Year	Operating Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Total	Coverage	
				Principal	Interest	Total			
2000	\$ 8,249,775	\$ 6,145,481	\$ 2,104,294	\$ 1,350,611	\$ 590,045	\$ 1,940,657	108.43%		
2001	8,917,964	6,788,368	2,129,596	1,336,385	526,298	1,862,684	114.33%		
2002	9,513,120	7,293,392	2,219,728	1,325,005	461,675	1,786,679	124.24%		
2003	8,490,013	7,280,712	1,209,301	1,172,221	397,535	1,569,757	77.04%		
2004	8,165,031	7,498,657	666,374	1,152,305	347,716	1,500,021	44.42%		
2005	8,882,052	8,131,250	750,802	1,132,389	298,743	1,431,131	52.46%		
2006	9,964,897	8,016,527	1,948,370	1,109,627	248,918	1,358,545	143.42%		
2007	10,338,983	7,853,047	2,485,936	1,089,711	200,094	1,289,805	192.74%		
2008	10,080,443	7,592,426	2,488,017	1,066,949	152,147	1,219,096	204.09%		
2009	10,423,414	8,013,800	2,409,614	1,049,878	104,134	1,154,012	208.80%		

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

¹ Total revenues including interest

² Total operating expenses exclusive of depreciation and amortization

³ Includes General Obligation Bonds

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	City Population (1)	Rocky Mount MSA(a) Personal Income (Millions) (2)	Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount MSA(a) Unemployment Rate (3)	Rocky Mount MSA(a) Retail Sales (Millions) (4)
1999	58,970	3,060.6	21,604	6.8%	1,167.3
2000	58,006	3,421.7	23,921	6.1%	1,163.7
2001	56,014	3,536.7	24,644	8.1%	1,121.8
2002	55,998	3,554.0	24,628	10.4%	1,052.7
2003	56,209	3,643.7	25,245	9.5%	1,060.7
2004	56,136	3,838.2	26,464	8.5%	1,112.5
2005	56,309	3,946.0	27,116	7.5%	1,173.5
2006	56,290	4,180.0	28,579	6.7%	720.5
2007	56,364	4,266.0	29,299	6.8%	720.0
2008	56,364	4,459.4	30,469	8.9%	707.0
2009	59,228	not available	not available	14.3%	634.9

Sources:

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

(a) Metropolitan Statistical Area

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank	Percentage of Total MSA (a)
Nash Rocky Mount Schools	2,275	1	3.68%	2,400	1	3.68%
Hospira	1,800	2	2.91%	2,000	2	3.07%
Nash Health Care Systems	1,480	3	2.39%	1,725	3	2.64%
RBC Centura	1,250	4	2.02%	950	5	1.46%
Cummins-Rocky Mount Engines	1,150	5	1.86%	1,467	4	2.25%
Embarq/Sprint	1,000	6	1.62%	600	10	0.92%
Universal Leaf	1,000	7	1.62%			0.00%
Kaba Ico Corporation	575	8	0.93%	750	6	1.15%
McLane North Carolina	570	9	0.92%	628	9	0.96%
West Customer Management Group	450	10	0.73%			0.00%
Texfi Blends			0.00%	670	7	1.03%
IBC Merita Wonder Bakery			0.00%	635	8	0.97%
	<u>11,550</u>		<u>18.67%</u>	<u>11,825</u>		<u>18.13%</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

Function/Program	Full-time Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	101	101	102	100	103	101	106	105	113	112
Public Safety										
Police	173	180	181	177	175	184	193	191	193	204
Fire	126	127	124	132	136	136	133	133	148	146
Public Works	131	134	133	132	101	104	104	103	108	105
Engineering	23	23	22	21	24	24	23	25	24	25
Parks & Recreation	59	56	58	55	58	58	61	66	63	66
Public Service	3	3	3	2	2	2	2	4	4	4
Economic Development	26	27	24	26	25	23	20	20	22	22
Electric	50	52	55	50	53	54	58	59	63	64
Gas	18	21	18	19	20	21	21	18	19	20
Water	70	66	59	60	62	62	62	55	62	61
Sewer	27	26	26	27	27	27	25	27	24	24
Storm Water				1	32	32	33	31	34	37
Total	806	815	804	801	818	828	840	837	877	890

Source: Finance Department

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Physical arrests	8,762	8,387	8,934	10,714	9,221	8,911	8,270	11,367	10,985	11,524
Traffic violations	7,226	6,961	7,468	8,087	6,655	5,963	4,114	6,741	6,381	10,073
Fire										
Number of calls answered	3,022	4,872	5,234	5,453	6,442	7,050	7,750	7,679	8,238	8,982
Inspections	1,736	2,429	2,236	3,350	2,686	2,862	2,957	2,361	2,174	2,491
Water										
Water main (miles)	300	300	300	350	360	360	461	473	480	481
Number of meters	22,800	24,700	23,800	24,258	26,379	26,915	24,700	24,998	25,172	24,314
Avg daily consumption (millions of gallons)	13.7	13.9	13.3	11.6	11.9	11.9	11.3	11.5	10.11	9.41
Peak daily consumption (millions of gallons)	20.4	18.2	20.0	15.2	16.0	17.0	16.4	13.5	15	15.99
Wastewater										
Avg daily sewer treatment (millions of gallons)	13.8	13.2	13.8	15.1	12.4	12.4	10.2	12.8	8.5	9.9

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	55	55	52	60	60	58	58	42	51	51
Fire										
Stations	6	6	6	6	7	7	7	7	7	7
Public Works										
Streets (miles)	257	259	265	268	270	272	268	263	281	283
Streetlights	6,393	6,600	6,600	6,739	6,957	6,957	6,957	6,850	6,913	6,919
Recreation and Parks										
Parks	46	46	46	46	46	46	41	39	41	41
Acres	472	472	472	472	481	481	499	506	481	521
Swimming Pools	-	-	-	-	1	1	2	2	2	2
Tennis Courts	45	45	40	34	30	30	37	34	37	37
Recreation centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	300	300	300	350	360	360	461	473	480	480
Maximum daily capacity (millions of gallons)	28	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	11	11	11	11	11	10	10	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	690	691	691	665	680	429	687	720	734	735