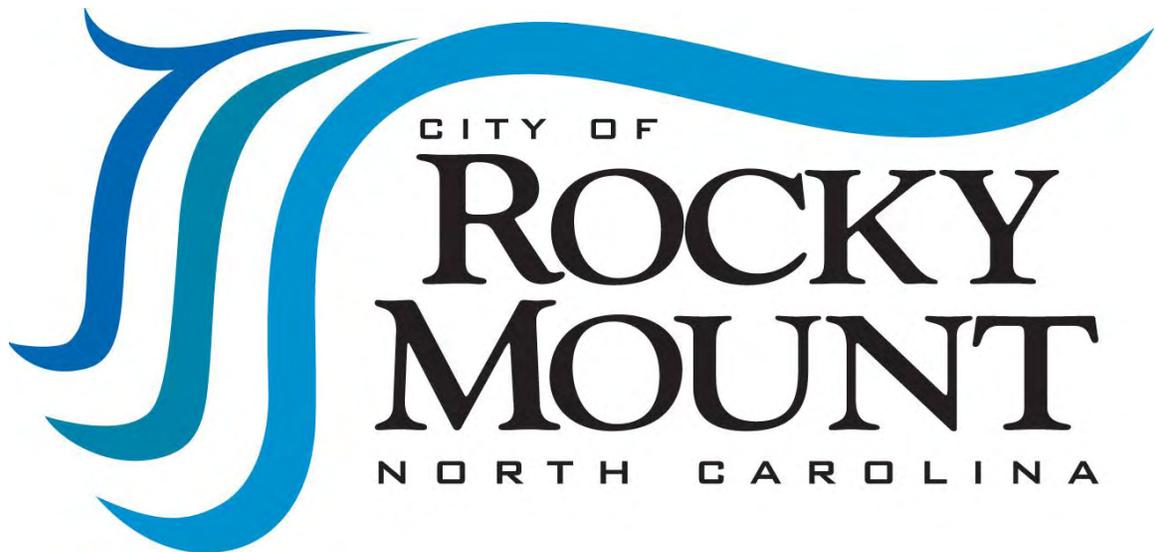


Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2010

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010**

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

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

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





October 19, 2010

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, 2010.

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, 2010, 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, 2010, 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 60,220, and straddles the Nash and Edgecombe County line, encompassing 44 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. 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 38 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 101. 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 16th largest city in the state of North Carolina. The business climate has endured a metamorphosis and thrived, moving from manufacturing, textiles, and agriculture to over 93% small businesses, enabling a flourishing entrepreneurial community with major distribution facilities and manufacturers of aerospace, elevator, foodservice and hospital products. The Rocky Mount area continues to attract many of these new and technologically advanced industries. However, older, established industries, including textiles and agriculture, continue to thrive in the area. Agriculture contributes greatly to the area's economy, especially tobacco. The area is also a top producer of cucumbers, sweet potatoes, poultry, peanuts, cotton and hogs. Financial institutions have also become a vital part of the Rocky Mount area, and seven financial institutions have offices in the area. This also makes the area attractive to business and industry. 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 13.2% as of June 30, 2010 compared to last year's rate of 14.3%. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services.

Recent economic investments include the addition of Jade Apparel in Tarboro, our neighboring city in Edgecombe County. Jade Apparel, a New Jersey-based company, announced plans to begin operations in Tarboro and will focus on the manufacturing of apparel for the military, including parkas and trousers, jackets and pants, combat shirts and various field garments. The company plans to invest nearly \$2 million and create 250 new jobs. The company will be near its fabric source sharing the Glenoit facility in Tarboro which will allow them to cut out transportation time and cost, and allow them to be close to customers, both military and fashion houses, which will provide them with added opportunities. In addition, Metal Craft, Inc., a full service industrial contractor providing general contracting and plant maintenance services, announced plans to expand their existing operations in Rocky Mount by moving into the 35,000 square foot former Lee Tractor building located in Rocky Mount. The company plans to invest nearly \$700,000, retain 11 existing jobs and create 40 new jobs. Metal Craft serves a variety of industries including pharmaceutical, food processing, wood and paper products, textiles, general manufacturing, agriculture and power generation. Also in Rocky Mount, the West Corporation plans to hire an additional 175 people for its customer service call center. The new jobs are the result of increased demand from a major cable television provider. The workers, who will earn \$10 per hour plus incentives, will help callers with inquiries about existing cable accounts. In addition, Future Graphics, Inc., a commercial printing company specializing in high-impact advertising and direct mail printing, announced plans to move operations to Middlesex, a neighboring city in Nash County. They have one to six color printing, specialty die cutting, binding and laminating capabilities. The company plans to invest

approximately \$3 million and create 42 new jobs. These new additions will bring a good number of new jobs into our area that will help put people back to work and should hopefully improve our unemployment rate for our MSA.

Long-term financial planning. The City is committed to a long term community redevelopment 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 currently in the construction phase which started in early 2010 and the phase 1 construction is expected to be completed by the end of the 2010 calendar year. Funding for the project is being provided by federal grants, a federal 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 continues to work 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. The City intends to donate vacant property along Beal Street to the Housing Authority for the construction of new housing. This project compliments the Housing Authority's activities by purchasing property across the street and preparing it for redevelopment. This includes the demolition of existing housing that is not owner-occupied and in unsatisfactory condition. The budget for the Beal Street Redevelopment project is over \$3 million over the next five years and will include funding from federal grants in addition to local funds. In addition, the City has plans for a neighborhood stabilization project. The project involves redevelopment through stabilization of the central city neighborhoods, focusing primarily on Edgemont and Villa Place. Redevelopment will consist of purchasing property for resale to preservationists. The project has a budget of approximately \$400,000 over the next five years. This is in addition to federal funds received in the amount of over \$2 million to assist with neighborhood stabilization projects. The City is also continuing its work on a streetscape project that includes transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project is budgeted at over \$7 million and will utilize funding from a federal grant, Powell Bill matching funds, in addition to local funds. The design work has been completed and the construction work is scheduled to start soon and it is expected that the increased activity downtown will create the interest that will increase private investment in downtown that will help to restore the area as a significant economic contributor to Rocky Mount. The City also has plans for redevelopment of the Booker T. Washington High School which will include renovations to the classroom portion of the school. The project has a budget of over \$8 million and the funding for the project includes a federal Section 108 loan, funding from Historic Tax and New Market Tax credits, in addition to funds from a state grant.

The City completed partial Phase II annexation plan which was effective December 31, 2009. A substantial amount of the planned Phase II annexation has not been finalized pending a verdict from the courts regarding the dispute over the Oak Level area annexation. Some new equipment has been purchased and additional 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 four 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.

The City is in the process of the implementation to a new utility customer information and billing system. The current customer information and billing system is past its useful life and needed to be replaced. A committee was assigned to evaluate the current and other software on the market and the recommendation was made to purchase new software after an extensive review. The project includes the purchase and installation of new software to manage utility customer data, billing, and associated meters. The new software will continue to provide the essential functions for the utility customer management

operations and add value through improved reporting capabilities, more efficient work processes, and online capabilities for our customers.

This year continued to present 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. The City made mid-year reductions in operating and capital expenses to offset the anticipated shortfall in revenue. In addition, the ongoing increases in the solid waste operations, which include cost increases in contracts for disposal services and recycling costs, necessitated rate increases by the City for residential garbage and recycling fees. In addition, in response to neighborhood flooding and other drainage issues within the City, we are continuing our stormwater improvement efforts which have necessitated an increase in stormwater fees. The City has responded quickly and recommended and implemented target budget reductions in order to offset the projected shortfall in revenues for the current year while minimizing the utilization of fund balance reserves. The budget reductions included reductions in operating accounts, freezing and maintaining many vacant staff positions, and deferrals of capital projects. The City's strategy has been 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. The average yield on all cash and investments was 0.20%. All of the City's investments at June 30, 2010 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2010, the City's cash resources were invested as follows:

| | | |
|---|----------------------|--------|
| Cash on hand | \$ 8,800 | .01% |
| Cash in traditional bank accounts | 5,228,586 | 10.23% |
| Money Market funds | 5,836,032 | 11.42% |
| Certificate of Deposit | 3,000,000 | 5.87% |
| North Carolina Capital Management Trust | <u>37,050,293</u> | 72.47% |
| Total | <u>\$ 51,123,711</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, 2008 was 22 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. The State announced that the employer contribution rates would increase in July 2010 to 6.44% for employees not engaged in law enforcement and 6.41% for law enforcement officers. This substantial increase will have a significant impact on the City in the coming years.

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, 204 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2009 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, 2009 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, 2009. This was the sixteenth 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.

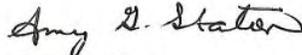
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a 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, 2009

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.



A stylized handwritten signature in black ink.

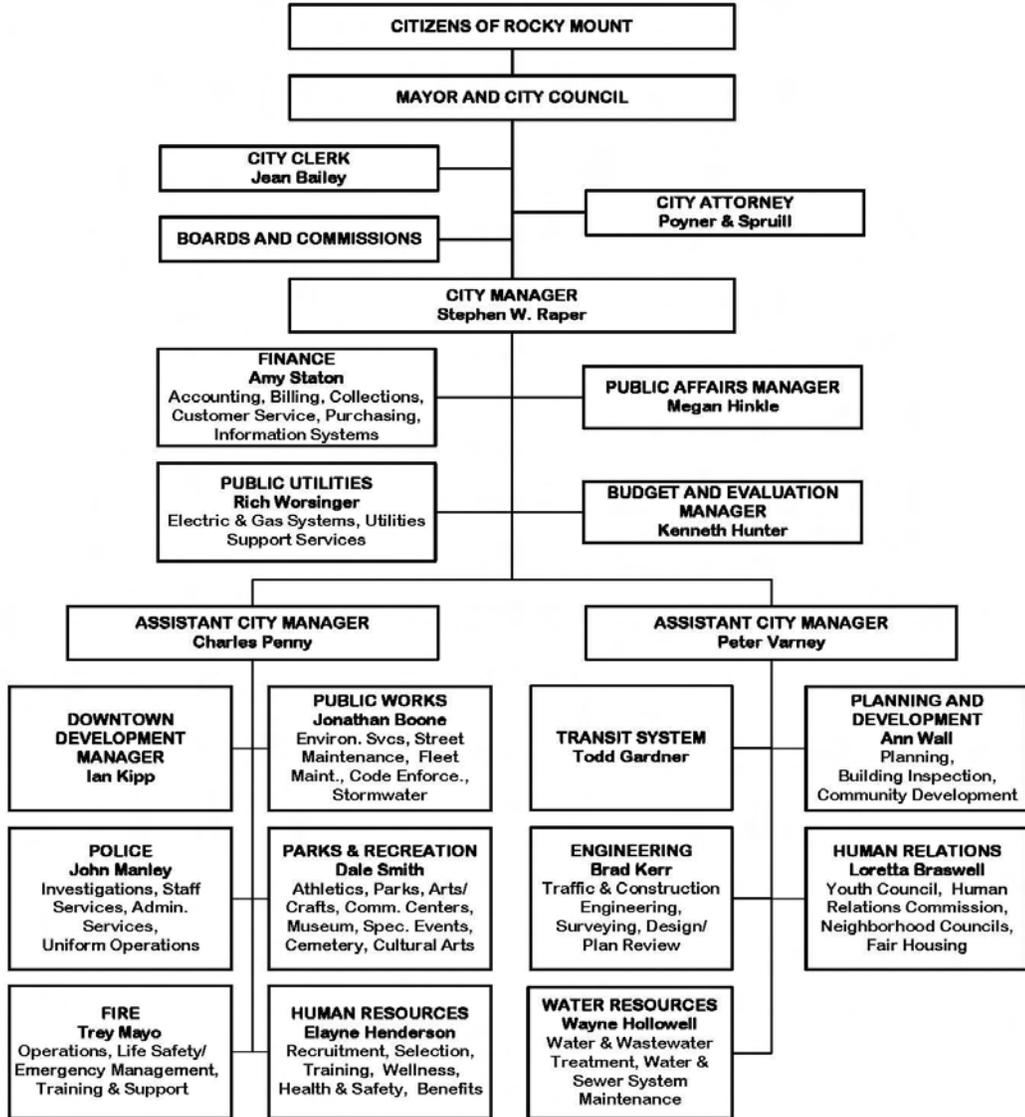
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

City of Rocky Mount

ORGANIZATIONAL CHART



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2010

CITY COUNCIL

David W. Combs, Mayor
Lois Watkins, Mayor Pro-tem

| | | |
|------------------------|--------------------------------|-----------------------------|
| Andre D. Knight | Reuben C. Blackwell, IV | Tom Rogers |
| Lamont Wiggins | W.B. Bullock | Chris Carroll Miller |

CITY ADMINISTRATION

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

FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
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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, 2010, 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 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Rocky Mount, North Carolina as of June 30, 2010, 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 19, 2010 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, budget and actual schedules, and supplemental ad valorem tax 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 19, 2010

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, 2010. 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.

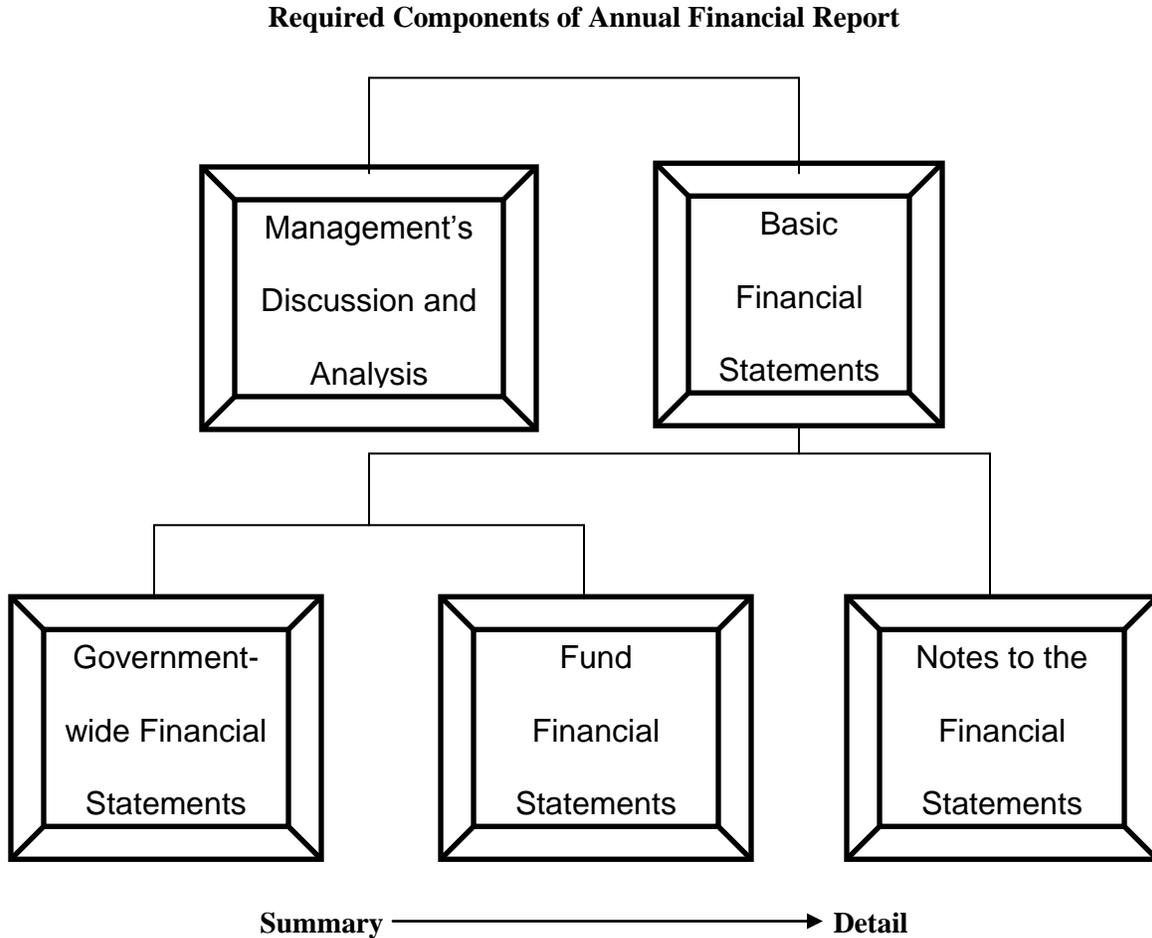
Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$261,719,442. The assets of the governmental activities exceeded liabilities by \$107,125,917 and the assets of the business-type activities exceeded liabilities by \$154,593,525.
- The government's total net assets grew by 3% or an increase of \$8,230,393 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 \$26,215,791, a decrease of \$2,499,717 from the prior year. Approximately 53.4% of this total amount, or \$13,996,600, 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 \$154,593,525, an increase of \$11,018,129.
- At the end of the current fiscal year, total unreserved and undesignated fund balance for the General Fund was \$10,008,406, or 19.1% 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 13th 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 30 through 33) 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 34 through 48) 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 City has the ability to impose its will on the Theatre, and it has a financial burden including being obligated to finance the deficits and provides financial support to the Theatre.

The government-wide financial statements are on pages 30 through 33.

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 49 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 89 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 2010 | Governmental Activities 2009 | Business-Type Activities 2010 | Business-Type Activities 2009 | Total 2010 | Total 2009 |
|---|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| Current and other assets | \$ 35,331,271 | \$ 37,661,844 | \$ 54,160,148 | \$ 45,224,167 | \$ 89,491,419 | \$ 82,886,011 |
| Capital assets | 99,258,722 | 98,872,865 | 133,852,431 | 128,460,769 | \$ 233,111,153 | \$ 227,333,634 |
| Total assets | 134,589,993 | 136,534,709 | 188,012,579 | 173,684,936 | 322,602,572 | 310,219,645 |
| Long-term liabilities | 19,427,309 | 17,944,933 | 20,193,692 | 16,575,796 | 39,621,001 | 34,520,729 |
| Other liabilities | 8,036,767 | 8,676,123 | 13,225,362 | 13,533,744 | 21,262,129 | 22,209,867 |
| Total liabilities | 27,464,076 | 26,621,056 | 33,419,054 | 30,109,540 | 60,883,130 | 56,730,596 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 86,143,086 | 85,043,747 | 120,173,718 | 115,049,746 | 206,316,804 | 200,093,493 |
| Restricted | 3,608,017 | 3,939,523 | - | - | 3,608,017 | 3,939,523 |
| Unrestricted | 17,374,814 | 20,930,383 | 34,419,807 | 28,525,650 | 51,794,621 | 49,456,033 |
| Total net assets | \$ 107,125,917 | \$ 109,913,653 | \$ 154,593,525 | \$ 143,575,396 | \$ 261,719,442 | \$ 253,489,049 |

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 \$261,719,442 as of June 30, 2010. The City's net assets increased by \$8,230,393 for the fiscal year ended June 30, 2010. The largest portion of net assets (78.8%) 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 (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (19.8%) 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 \$6,223,311 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 3% of total current year expenses. Restricted net assets decreased by \$331,506 and unrestricted net assets increased by \$2,338,588 compared to the prior year. Since total net assets grew by

\$8,230,393 or 4% of total current year expenses, the majority of the increase in net assets growth is due to the growth in invested in capital assets which is a result of 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 \$8,230,393 for the year. The total increase in net assets for the year was influenced by growth in charges for services of \$2,870,194 or 1.9% over the prior year. There was also an increase in operating grants and contributions of \$1,583,789 or 24.6% and an increase in capital grants and contributions of \$6,029,849 or 425%. These increases in grants and contributions compared to the prior year were related to projects surrounding community revitalization, public service, and public safety. The Recovery Act provided the City with Federal funds through the COPS Hiring Program to add eight patrol officer positions increasing our number of uniformed officers, enabling a greater community presence and improving operational effectiveness. Funding was also provided for community revitalization and downtown development projects including the Downtown Streetscape, the Douglas Block redevelopment, and Train Station improvements. Increases in the business-type activities was mostly in part to a utility pole realignment project being funded by NCDOT and a Recovery Act Energy Efficiency Conservation Block grant project which is being used to provide energy auditing services for our utility customers.
- The total increase in net assets of \$8,230,393 was influenced by growth in ad valorem tax revenue of \$2,059,186 or 10.6% over the prior year. 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. This tax rate adjustment plus the increased valuation of property due to the revaluation resulted in the 10.6% increase in ad valorem tax revenues.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 95.96% for property excluding motor vehicles. The statewide average for other municipalities with an electric system and with a population of 50,000 and above is 98.25%. The statewide collection percentage is based on 2009 statewide data and is the most recent published percentage. The City is slightly below the statewide average so there is an opportunity for improvement in this area. The collection percentage has been impacted by rising unemployment and home foreclosures.

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 | |
|---|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|-------------------------------------|------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | | | |
| Program revenues: | | | | | | | | |
| Charges for services | \$11,226,534 | \$ 10,651,673 | \$ 145,345,990 | \$ 143,050,657 | \$156,572,524 | \$153,702,330 | - | - |
| Operating grants and contributions | 8,013,552 | 6,435,865 | 6,102 | - | 8,019,654 | 6,435,865 | 5,565 | 21,410 |
| Capital grants and contributions | 4,796,852 | 1,313,359 | 2,651,892 | 105,536 | 7,448,744 | 1,418,895 | - | - |
| General revenues: | | | | | | | | |
| Property taxes | 21,558,895 | 19,499,709 | - | - | 21,558,895 | 19,499,709 | - | - |
| Other taxes | 12,760,746 | 13,185,765 | - | - | 12,760,746 | 13,185,765 | - | - |
| Other | 2,457,149 | 2,230,695 | 733,274 | 933,065 | 3,190,423 | 3,163,760 | - | - |
| Total Revenues | <u>60,813,728</u> | <u>53,317,066</u> | <u>148,737,258</u> | <u>144,089,258</u> | <u>209,550,986</u> | <u>197,406,324</u> | <u>5,565</u> | <u>21,410</u> |
| Expenses: | | | | | | | | |
| General Government | 7,092,390 | 6,710,733 | - | - | 7,092,390 | 6,710,733 | - | - |
| Public safety | 24,944,618 | 23,102,694 | - | - | 24,944,618 | 23,102,694 | - | - |
| Parks and Recreation | 8,799,437 | 8,148,677 | - | - | 8,799,437 | 8,148,677 | - | - |
| Public Works | 8,996,638 | 8,858,447 | - | - | 8,996,638 | 8,858,447 | - | - |
| Engineering | 658,083 | 941,982 | - | - | 658,083 | 941,982 | - | - |
| Public Service | 11,884,227 | 6,349,205 | - | - | 11,884,227 | 6,349,205 | - | - |
| Emergency Management | - | - | - | - | - | - | - | - |
| Hazard Mitigation | - | - | - | - | - | - | - | - |
| Community Revitalization | 3,585,679 | 2,800,689 | - | - | 3,585,679 | 2,800,689 | - | - |
| Interest on long-term debt | 444,084 | 488,393 | - | - | 444,084 | 488,393 | - | - |
| Electric | - | - | 90,363,924 | 87,251,619 | 90,363,924 | 87,251,619 | - | - |
| Gas | - | - | 21,822,518 | 25,635,724 | 21,822,518 | 25,635,724 | - | - |
| Water | - | - | 9,005,997 | 9,793,758 | 9,005,997 | 9,793,758 | - | - |
| Sewer | - | - | 10,783,556 | 10,035,368 | 10,783,556 | 10,035,368 | - | - |
| Storm Water | - | - | 2,939,442 | 2,869,969 | 2,939,442 | 2,869,969 | - | - |
| Other | - | - | - | - | - | - | - | - |
| Component unit | - | - | - | - | - | - | 268,927 | 280,562 |
| Total Expenses | <u>66,405,156</u> | <u>57,400,820</u> | <u>134,915,437</u> | <u>135,586,437</u> | <u>201,320,593</u> | <u>192,987,258</u> | <u>268,927</u> | <u>280,562</u> |
| Increase in net assets before transfers | (5,591,428) | (4,083,754) | 13,821,821 | 8,502,821 | 8,230,393 | 4,419,067 | (263,362) | (259,152) |
| Transfers | 2,803,692 | 2,650,000 | (2,803,692) | (2,650,000) | - | - | - | - |
| Capital Contributions | - | - | - | - | - | - | - | - |
| Increase in Net Assets | (2,787,736) | (1,433,754) | 11,018,129 | 5,852,821 | 8,230,393 | 4,419,067 | (263,362) | (259,152) |
| Net Assets, July 1 | <u>109,913,653</u> | <u>111,347,407</u> | <u>143,575,396</u> | <u>137,722,575</u> | <u>253,489,049</u> | <u>249,069,982</u> | <u>778,593</u> | <u>1,037,745</u> |
| Net Assets, June 30 | <u>107,125,917</u> | <u>109,913,653</u> | <u>154,593,525</u> | <u>143,575,396</u> | <u>261,719,442</u> | <u>253,486,049</u> | <u>515,231</u> | <u>778,593</u> |

Governmental activities. Governmental activities decreased the City’s net assets by \$2,787,736, representing a 34% 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 increased \$7,496,662 or 14% compared to the prior year. Operating grants and contributions and capital grants and contributions had an increase of \$1,577,687 (25%) and \$3,483,493 (265%) in revenue compared to the prior year, respectively. As discussed, these increases in grants and contributions compared to the prior year were related to projects surrounding community revitalization, public service, and public safety. Property tax revenue increased by \$2,059,186 or 10.6% compared to the prior year as mentioned previously due to the 2009 mandated property revaluation and the \$0.02 tax rate increase.
- Total expenses for governmental activities increased \$9,004,336 or 16%. Community revitalization expenses increased by \$784,990 or 28% due to the continued commitment to community redevelopment including the Beal Street project and other neighborhood stabilization projects. Public safety expenses increased by \$1,841,924 or 8% primarily related to increased employee compensation and benefits due to being fully staffed after the implementation of the compensation and pay plan in January 2009 and the additional eight officers funded by the Recovery Act COPS Hiring grant. Public service expenses increased by \$5,535,022 or 87% as a result of the increased spending in public transportation and the emergency telephone funds, and the redevelopment of the Douglas Block along with other downtown projects including the Downtown Streetscape and improvements to the Train Station and Booker T. Washington High School.

Figure 4:

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

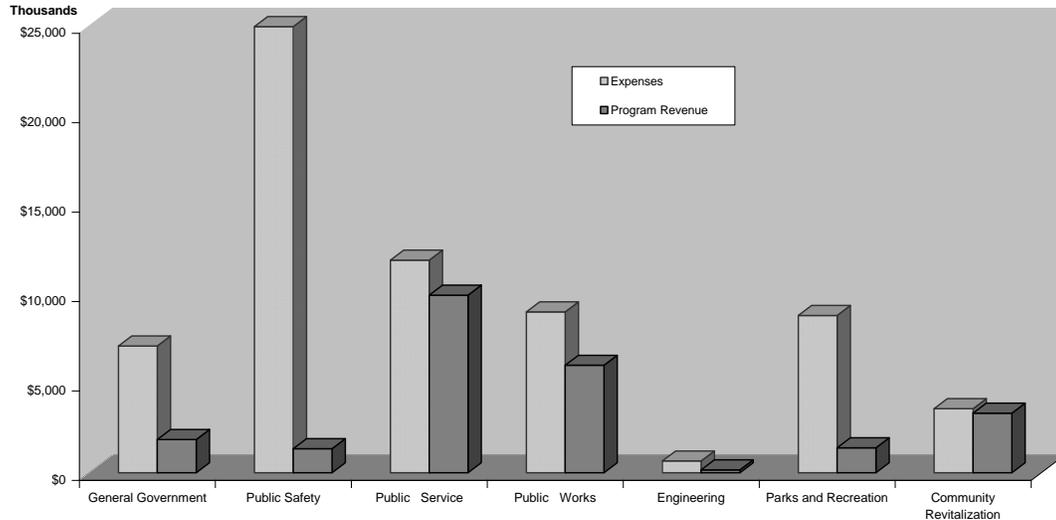
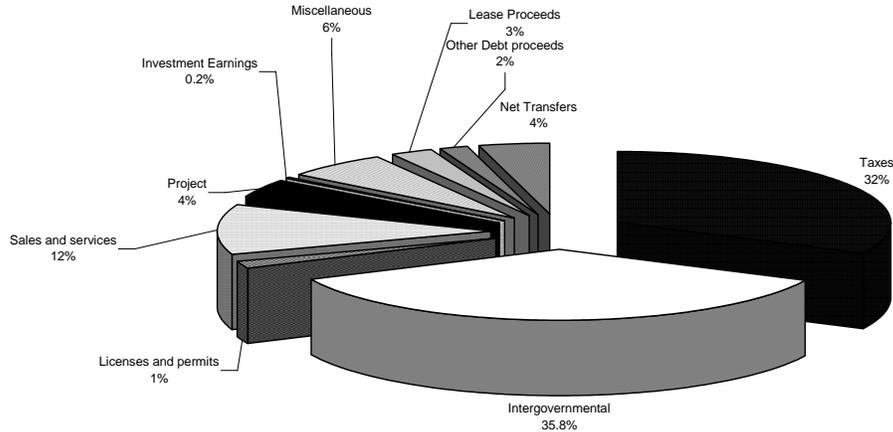


Figure 5:

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



Business-type activities: Business-type activities increased the City’s net assets by \$11,018,129, representing 134% 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 \$4,648,000 or 3% compared to the prior year. Charges for services for business-type activities increased by a combined \$2,295,333 or 2% over the prior year. Electric revenue increased 4% over the prior year. This was in part due to a 10% rate increase implemented in March 2009, with the current year realizing the benefit of the increased rate for 12 months compared to the prior year. Natural gas revenue decreased 16% from the prior year even with an increase in consumption due to a decrease in market rates for natural gas compared to the prior year. The City passed that decrease to our gas customers through a purchased gas adjustment. Water revenue increased 21% compared to the prior year. Sewer revenue increased 12% over the prior year. The combined water and sewer increase was 16%. 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. Stormwater revenue was comparable to the prior year.
- Operating expenses for business-type activities combined remained within 1% of the prior year. The operating expenses for electric increased by 4% over the prior year due to increases in wholesale costs for power purchases. Expenses for natural gas and water decreased by 15% and 8%, respectively, due to decreased operating costs in purchasing natural gas since there was a decrease in the market rates for natural gas and a reduction in chemical costs. Expenses for sewer increased 7% primarily due to an increase in operating expenses. The stormwater operating expenses were comparable to the prior year.

- The business-type activities transferred net funds to the governmental funds totaling \$2,803,692. This is an increase of \$153,692 compared to the prior year.
- The net change in assets for all business-type activities for the current fiscal year was an increase of \$11,018,129. All business-type operations resulted in net operating income after transfers. The change in net assets for Electric, Gas, Water, Sewer, and Stormwater was \$4,916,451, \$2,109,959, \$2,219,810, \$1,401,121, and \$370,788 respectively.

Figure 6:

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

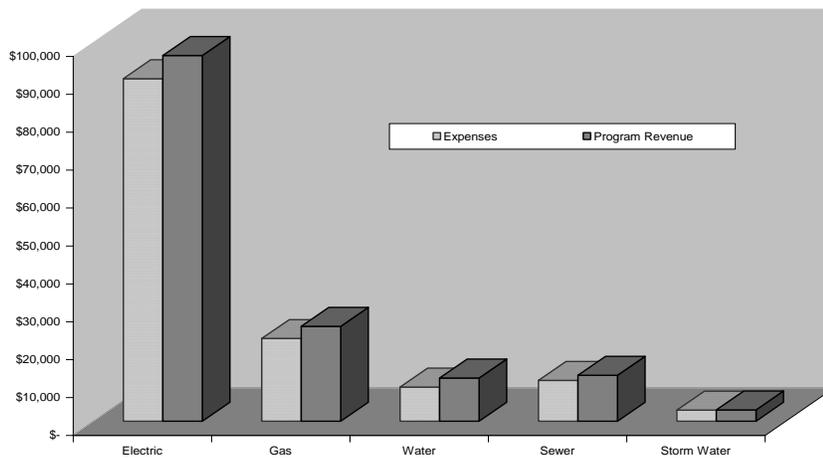
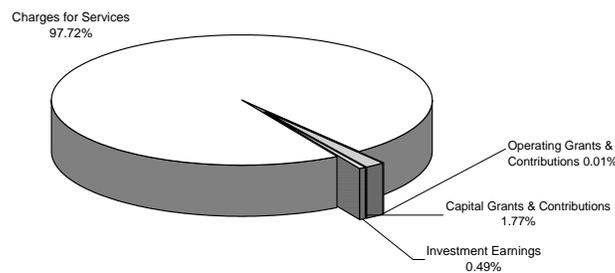


Figure 7:

**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 \$26,215,791, a decrease of \$2,499,717 in comparison with the prior year. Of this amount, \$15,753,444 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 \$13,996,600 or 53% of the total fund balance. Of the amount of unreserved fund balance, \$2,310,853 is dedicated to special revenue projects and \$1,677,341 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 \$11,765,250, while total general fund balance was \$22,164,051. 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 22% of total General Fund expenditures, while total fund balance represents 42% of that same amount.

At June 30, 2010, the governmental funds of the City reported a combined fund balance of \$26,215,791, a 9% decrease over last year. Included in this change in fund balance is a decrease in fund balance in the General Fund by \$1,704,616 with an increase in fund balance for the Special Revenue Funds of \$436,267 and a decrease in Capital Project Funds of \$1,231,368. Within the Special Revenue Funds, the fund balance for Public Transportation increased a substantial amount due to increased project revenues related to contract services for the rural operating program. The fund balance in the General Capital Development Projects Fund decreased mainly as a result of incurring increases related to the Douglas Block redevelopment project within the year without receiving the related revenues.

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 \$2,086,624. Intergovernmental revenues were less than budget by \$2,292,206 due to the impact the economic downturn and related decrease in consumer spending had on the amount received for local option sales tax which was less than the budget by \$1,288,954. In addition, State grants were less than budget by \$931,227 due to receiving less than budgeted in Powell Bills funds and for not spending or receiving grant funds related to a NCDOT project that was delayed within the

year. Investment earnings for the general fund were less than budget by \$287,182 due to the fact that returns on investments were considerably lower than expected for the current year. The only category to show a substantial increase compared to budget was in ad valorem taxes as a result of the property revaluation in 2009 and the \$0.02 tax increase for property taxes.

The actual operating expenses for the General Fund were less than the budget amount by \$6,915,765. Mid-year reductions in operating and capital expenses were planned 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. General government departments have expenditures less than the budget of \$949,955. Within the general government departments, the Finance department has expenditures less than the budget of \$357,835. Much of this is related to unspent wages, including overtime budgeted within the Utility Billing division related to implementation of the new utility billing system. The implementation of the new utility billing software system began in late fiscal year 2010 and much of the additional personnel costs, particularly overtime wages, budgeted for the project were unspent at yearend. The Mayor and council department has expenditures less than the budget of \$382,534 which is mainly due to the \$200,000 contingency budgeted but not expended and almost \$160,000 in council initiatives and community reinvestment funds budgeted but not expended. The Public works department has expenditures less than the budget of \$2,623,639 in part due to approximately \$2,052,872 for unspent capital items within the Public works department. Of the amount allocated \$1,255,601 was re-appropriated to 2011. In addition, there was approximately \$158,000 in operating expenses unspent at year end related to rollout carts and recycling supplies. There were savings within Public service of \$2,921,142 for capital outlay as a result of not spending allocated Powell Bill funds. Of this amount, \$2,682,952 was re-appropriated to fiscal year 2011 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 \$15,289,544 for the Electric Fund, \$10,247,220 for the Gas Fund, \$3,923,614 for the Water Fund, \$2,880,055 for the Sewer Fund, and \$2,079,374 for the Stormwater Fund. The total growth of net assets for each fund was \$4,916,451, \$2,109,959, \$2,219,810, \$1,401,121, and \$370,788 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, 2010, totals \$233,111,153 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles, and infrastructure for electric, gas, water, sewer and stormwater services.

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

Governmental Funds:

Additions

- Street resurfacing \$808,428
- Land acquisition for Redevelopment Commission \$465,313
- Fire pumper \$390,894

- Land acquisition for Southeastern Community Development \$365,850
- VOIP E911 Software \$339,883
- Fifteen Police vehicles \$330,775
- Environmental services waste handler wheel loader \$269,038
- Senior center HVAC renovations \$255,926
- Construction in progress for English/Nicodemus road extension project \$170,183. Total expended over the life of the project \$336,849.
- Construction in progress for Train station rehabilitation \$147,483
- Police mobile field reporting software \$137,278
- E911 call center HVAC \$131,818
- Fire/Police dispatch software \$109,017
- Construction in progress for Downtown streetscape design \$105,060. Total expended over the life of the project \$516,013.

Proprietary Funds:

Additions

- Construction in progress for Electric northern connector project \$1,899,324. Total expended over the life of the project \$2,084,094.
- Construction in progress for improvements to sewer annexation areas \$1,038,717. Total expended over the life of the project \$1,298,664.
- Construction in progress for sewer Maple creek outfall extension \$570,006. Total expended over the life of the project \$859,102.
- Gas meters \$547,224
- Electric distribution lines underground and overhead \$517,537
- Electric power transformer substation #9 \$475,000
- Gas main installations \$423,805
- Electric substation #5 upgrade \$379,248
- Construction in progress for water lime slurry feed systems \$335,220
- Two Electric mini derrick heavy duty vehicles \$332,909
- Construction in progress for utility customer information system software \$326,520
- Electric meters \$322,007
- Electric disaster recovery system \$248,460
- Electric distribution lines-transformers \$220,018
- Gas chiller plant replacement \$215,955
- Construction in progress for sewer Leggett park \$203,694

Figure 8:

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

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 7,658,744 | \$ 7,015,555 | \$ 1,829,847 | \$ 1,624,907 | \$ 9,488,591 | \$ 8,640,461 |
| Building | 33,088,375 | 33,629,091 | 39,009,632 | 40,126,191 | 72,098,007 | 73,755,282 |
| Improvements other than buildings | 15,297,315 | 15,964,037 | 2,591,622 | 3,040,587 | 17,888,937 | 19,004,624 |
| Machinery and equipment | 9,563,836 | 9,178,598 | 21,379,049 | 20,608,944 | 30,942,885 | 29,787,542 |
| Infrastructure | 31,698,753 | 31,424,458 | - | - | 31,698,753 | 31,424,458 |
| Distribution and collection systems | - | - | 62,571,304 | 61,389,763 | 62,571,304 | 61,389,763 |
| Construction in progress | 1,951,699 | 1,661,128 | 6,470,977 | 1,670,378 | 8,422,676 | 3,331,506 |
| Total Capital Assets (net of accumulated depreciation) | \$ 99,258,722 | \$ 98,872,867 | \$ 133,852,431 | \$ 128,460,769 | \$ 233,111,153 | \$ 227,333,636 |

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

Long-term Debt. During fiscal year 2010, the City's total bonded debt decreased by \$1,769,470 due to principal payments on existing bonded debt and at June 30, 2010, the balance on the bonded debt was \$0. 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, 2010, the City had installment leases outstanding of \$26,027,827. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$900,000 for the purchase of a former YMCA facility that is being used by the City for our Senior Center, and the City has debt outstanding in the amount of \$2,389,661 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 water and wastewater treatment plants. As of June 30, 2010, the City had outstanding revolving loans of \$3,973,180.

Figure 9:

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| General obligation bonds | \$ - | \$ - | \$ - | \$ 1,769,470 | \$ - | \$ 1,769,470 |
| Installment lease payable | 12,068,881 | 13,366,200 | 13,958,946 | 10,216,290 | 26,027,827 | 23,582,490 |
| Other debt | 3,289,661 | 2,405,000 | - | - | 3,289,661 | 2,405,000 |
| Revolving Loans | - | - | 3,973,180 | 4,033,543 | 3,973,180 | 4,033,543 |
| Total | \$15,358,542 | \$ 15,771,200 | \$17,932,126 | \$ 16,019,303 | \$ 33,290,668 | \$ 31,790,503 |

As mentioned in the financial highlights section of this document, the City maintained for the 13th 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 \$310,380,618.

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 2011.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.2% at June 30, 2010. This is a 1.1% decrease in the unemployment rate compared to the prior year. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services.
- Inflation is currently stable, 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 has created an immediate impact locally.
- Sales tax revenue decreased 5.5% compared to the prior year. Our retail sales for the Rocky Mount metropolitan statistical area are comprised mostly of essential goods; reducing the loss other areas suffer from declines in consumption and purchase of luxuries. This reduction in consumer spending is related to the economic downturn. Recent increases in monthly collections lead us to believe that the City should see an increase of 1-2% in sales tax revenue in 2011.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2011, the budget decreased 5% 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 minimal growth (less than 2%). Powell Bill revenue is expected to increase about 1-2%, and utility franchise fees are expected to stay the same. Telecommunications tax revenue is expected to increase by 1-2% due to improved collection and the inclusion of all customers. No growth is expected for cable franchise fees. Sales tax revenue is projected to increase about 1-2%, though improved economic activity may produce some additional benefit. There is no ad valorem tax rate increase so the tax rate remains at \$0.55 per \$100 of assessed value. Solid waste operations

have seen increases in costs, including contracts for disposal services, and recycling costs which have resulted in the need for a rate increase of \$0.50 for the rollout container (residential garbage) and a rate increase of \$0.25 for residential recycling fees per month. Tipping fees will also increase by \$1.25 per ton for private and governmental haulers at the Transfer Station.

Budgeted expenditures in the governmental activities also decreased 5%. The combination of economic downturn and uncertainty, ensuring quality service delivery, upholding our commitments to employees, continuing the neighborhood redevelopment initiatives, 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 capital projects to future years and delaying current year projects until after September 2010, and elimination of growth or actual reductions in other operating expenses. Employee compensation, including pay and benefits, continues to increase costs, facilitated by the pay plan improvements that were 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. The City has to increase its employer contribution to the State Retirement fund on behalf of employees by approximately 35%. There is no increase in employer-paid portion of our health or life insurance premiums. The City will continue to offer our employees two options for coverage: the current PPO, or a Health Savings Account (HSA). We are holding 24 vacant positions in the general fund, which is a decrease of 1 compared to the prior year. The budget provides for an additional 2 general fund positions in the Finance Department to assist with customer service in the Business Office. Capital project funding was limited; however, there is funding to replace 12 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 continue the planning and design of a new fire station on the west side of the City. This facility will be constructed in the next four 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 decreased 2% for the fiscal year ending June 30, 2011. Rate increases were necessary in the stormwater fund to cover the cost demands of our continual stormwater improvements. The rate increase is \$0.50 in the stormwater management fee (per ERU) per month. There is no electric or gas rate increases for fiscal year ending June 30, 2011; however, increases are expected if the City's suppliers increase their rates. There is no increase to water and sewer rates. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses for business-type activities decreased 2%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines to annexed areas. We are holding 12 positions vacant in the water resources funds and 7 in stormwater. This is a decrease of 1 over the prior year. The budget provides for the addition of 2 new positions in public utilities, with 1 funded in part through the Recovery Act to provide energy auditing services for our utility customers. 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, repainting of City water tanks, 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.

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, 2010**

| | Primary Government | | | | City of Rocky Mount Theatre, LLC |
|--|------------------------------------|-------------------------------------|---------------|----|---|
| | Governmental Activities | Business-Type Activities | Total | | |
| Assets: | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents/ investments | \$ 19,792,018 | \$ 30,531,563 | \$ 50,323,581 | \$ | 100 |
| Receivables, net of allowance for uncollectible accounts: | | | | | |
| Ad valorem taxes | 1,973,040 | - | 1,973,040 | | - |
| Taxes-other | 9,372 | - | 9,372 | | - |
| Customers | 614,745 | 14,971,225 | 15,585,970 | | 200 |
| Other governmental agencies | 4,305,409 | 1,503,887 | 5,809,296 | | - |
| Notes receivable | - | 16,776 | 16,776 | | - |
| Assessments | 2,154,715 | 222,457 | 2,377,172 | | - |
| Other | 3,320,963 | 155,808 | 3,476,771 | | - |
| Inventories | 396,810 | 2,505,018 | 2,901,828 | | - |
| Restricted cash and investments | 2,764,199 | 4,253,414 | 7,017,613 | | 73,468 |
| Total current assets | 35,331,271 | 54,160,148 | 89,491,419 | | 73,768 |
| Noncurrent Assets: | | | | | |
| Capital Assets: | | | | | |
| Nondepreciable | 9,610,443 | 8,300,824 | 17,911,267 | | 6,581 |
| Depreciable, net | 89,648,279 | 125,551,607 | 215,199,886 | | 8,763,563 |
| Total capital assets | 99,258,722 | 133,852,431 | 233,111,153 | | 8,770,144 |
| Other Noncurrent Assets: | | | | | |
| Other | - | - | - | | 54,742 |
| Total other noncurrent assets | - | - | - | | 54,742 |
| Total noncurrent assets | 99,258,722 | 133,852,431 | 233,111,153 | | 8,824,886 |
| Total assets | 134,589,993 | 188,012,579 | 322,602,572 | | 8,898,654 |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable and accrued expenses | 3,263,482 | 9,565,663 | 12,829,145 | | 82,560 |
| Current compensation absences | 2,106,927 | 532,574 | 2,639,501 | | - |
| Current maturities of long-term debt | 2,666,358 | 3,127,125 | 5,793,483 | | - |
| Total current liabilities | 8,036,767 | 13,225,362 | 21,262,129 | | 82,560 |

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

| | <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 | 300,611 | 4,307,254 | 4,607,865 | - |
| Unearned revenue | 900,951 | - | 900,951 | - |
| Accrued compensation absences | 1,601,578 | 222,225 | 1,823,803 | - |
| Long-term debt | 16,624,169 | 15,664,213 | 32,288,382 | 8,300,863 |
| Total noncurrent liabilities | <u>19,427,309</u> | <u>20,193,692</u> | <u>39,621,001</u> | <u>8,300,863</u> |
| Total liabilities | <u>27,464,076</u> | <u>33,419,054</u> | <u>60,883,130</u> | <u>8,383,423</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 86,143,086 | 120,173,718 | 206,316,804 | 441,663 |
| Restricted for: | | | | |
| Streets | 3,608,017 | - | 3,608,017 | - |
| Theatre | - | - | - | 73,468 |
| Unrestricted | <u>17,374,814</u> | <u>34,419,807</u> | <u>51,794,621</u> | <u>100</u> |
| Total net assets | <u>\$ 107,125,917</u> | <u>\$ 154,593,525</u> | <u>\$ 261,719,442</u> | <u>\$ 515,231</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, 2010**

| | Program Revenues | | | |
|----------------------------------|-------------------------|---------------------------------|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Functions/Programs | | | | |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 7,092,390 | \$ 1,799,924 | \$ 54,773 | \$ - |
| Public safety | 24,944,618 | 321,163 | 1,023,682 | - |
| Public works | 8,996,638 | 5,981,055 | 27,821 | - |
| Engineering | 658,083 | 14,131 | 146,085 | - |
| Parks and recreation | 8,799,437 | 1,126,057 | 203,527 | 70,670 |
| Public service | 11,884,227 | 1,984,204 | 3,222,125 | 4,726,182 |
| Community revitalization | 3,585,679 | - | 3,335,539 | - |
| Interest on long-term debt | 444,084 | - | - | - |
| Total governmental activities | <u>66,405,156</u> | <u>11,226,534</u> | <u>8,013,552</u> | <u>4,796,852</u> |
| Business-Type Activities: | | | | |
| Electric | 90,363,924 | 94,204,551 | 6,102 | 2,257,775 |
| Gas | 21,822,518 | 25,025,210 | - | - |
| Water | 9,005,997 | 11,257,530 | - | 156,631 |
| Sewer | 10,783,556 | 11,924,944 | - | 194,360 |
| Storm water management | 2,939,442 | 2,933,755 | - | 43,126 |
| Total business-type activities | <u>134,915,437</u> | <u>145,345,990</u> | <u>6,102</u> | <u>2,651,892</u> |
| Total primary government | <u>201,320,593</u> | <u>156,572,524</u> | <u>8,019,654</u> | <u>7,448,744</u> |
| Component Unit: | | | | |
| City of Rocky Mount Theatre, LLC | 268,927 | - | 5,565 | - |
| Total component unit | <u>\$ 268,927</u> | <u>\$ -</u> | <u>\$ 5,565</u> | <u>\$ -</u> |

General revenues:

Taxes:

Ad valorem taxes

Local option taxes

Franchise taxes

Telecommunication taxes

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 | | | City of Rocky Mount Theatre, LLC |
| Governmental Activities | Business-Type Activities | Total | Total |
| \$ (5,237,693) | \$ - | \$ (5,237,693) | \$ - |
| (23,599,773) | - | (23,599,773) | - |
| (2,987,762) | - | (2,987,762) | - |
| (497,867) | - | (497,867) | - |
| (7,399,183) | - | (7,399,183) | - |
| (1,951,716) | - | (1,951,716) | - |
| (250,140) | - | (250,140) | - |
| (444,084) | - | (444,084) | - |
| (42,368,218) | - | (42,368,218) | - |
| - | 6,104,504 | 6,104,504 | - |
| - | 3,202,692 | 3,202,692 | - |
| - | 2,408,164 | 2,408,164 | - |
| - | 1,335,748 | 1,335,748 | - |
| - | 37,439 | 37,439 | - |
| - | 13,088,547 | 13,088,547 | - |
| (42,368,218) | 13,088,547 | (29,279,671) | - |
| - | - | - | (263,362) |
| \$ - | \$ - | \$ - | \$ (263,362) |
| 21,558,895 | - | 21,558,895 | - |
| 8,916,046 | - | 8,916,046 | - |
| 2,932,552 | - | 2,932,552 | - |
| 912,148 | - | 912,148 | - |
| 2,185,137 | - | 2,185,137 | - |
| 122,011 | 733,274 | 855,285 | - |
| 150,001 | - | 150,001 | - |
| 2,803,692 | (2,803,692) | - | - |
| 39,580,482 | (2,070,418) | 37,510,064 | - |
| (2,787,736) | 11,018,129 | 8,230,393 | (263,362) |
| 109,913,653 | 143,575,396 | 253,489,049 | 778,593 |
| \$ 107,125,917 | \$ 154,593,525 | \$ 261,719,442 | \$ 515,231 |

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

| | <u>Major Fund</u> | | |
|---|----------------------|--|---|
| | <u>General</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Assets: | | | |
| Cash and cash equivalents/investments | \$ 17,633,687 | \$ 2,158,331 | \$ 19,792,018 |
| Receivables, net of allowance for uncollectible accounts: | | | |
| Ad valorem taxes | 1,963,260 | 9,780 | 1,973,040 |
| Other taxes | 9,372 | - | 9,372 |
| Customers | 614,745 | - | 614,745 |
| Other governmental agencies | 2,720,546 | 1,584,863 | 4,305,409 |
| Due from other funds | 563,337 | - | 563,337 |
| Other | 2,825,461 | 489,755 | 3,315,216 |
| Assessments | 2,154,715 | - | 2,154,715 |
| Inventories | 396,810 | - | 396,810 |
| Restricted cash and investments | 1,038,755 | 1,204,151 | 2,242,906 |
| Total assets | <u>\$ 29,920,688</u> | <u>\$ 5,446,880</u> | <u>\$ 35,367,568</u> |
| Liabilities and Fund Balances: | | | |
| Accounts payable and accrued expenditures | \$ 2,123,113 | \$ 651,523 | \$ 2,774,636 |
| Due to other funds | - | 563,337 | 563,337 |
| Deposits | 275,111 | 25,500 | 300,611 |
| Deferred revenues | 5,358,413 | 154,780 | 5,513,193 |
| Total liabilities | <u>7,756,637</u> | <u>1,395,140</u> | <u>9,151,777</u> |
| Fund Balances: | | | |
| Reserved for: | | | |
| Inventories | 396,810 | - | 396,810 |
| State statute | 6,393,974 | 63,546 | 6,457,520 |
| Powell Bill | 3,608,017 | - | 3,608,017 |
| Unreserved: | | | |
| Designated for subsequent year's expenditures | 1,756,844 | - | 1,756,844 |
| Undesignated: | | | |
| Reported in: | | | |
| General fund | 10,008,406 | | 10,008,406 |
| Special revenue | - | 2,310,853 | 2,310,853 |
| Capital projects | - | 1,677,341 | 1,677,341 |
| Total fund balances | <u>22,164,051</u> | <u>4,051,740</u> | <u>26,215,791</u> |
| Total liabilities and fund balances | <u>\$ 29,920,688</u> | <u>\$ 5,446,880</u> | <u>\$ 35,367,568</u> |

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010**

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 | \$ 26,215,791 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 99,258,722 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 4,612,242 |
| 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. | 368,072 |
| Some liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Long-term debt | (19,290,527) |
| Compensated absences | (3,708,505) |
| Claims and Judgments | <u>(329,878)</u> |
| Net assets of governmental activities | <u>\$ 107,125,917</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, 2010

| | <u>Major Fund</u> | | |
|--|-------------------------|--|---|
| | <u>General Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Revenues: | | | |
| Taxes | \$ 21,344,953 | \$ 70,912 | \$ 21,415,865 |
| Intergovernmental | 16,399,644 | 7,409,150 | 23,808,794 |
| Licenses and permits | 948,416 | - | 948,416 |
| Sales and service | 7,680,531 | - | 7,680,531 |
| Project | - | 2,703,369 | 2,703,369 |
| Investment earnings | 117,818 | 4,193 | 122,011 |
| Contributions | - | - | - |
| Miscellaneous | 976,684 | 3,105,140 | 4,081,824 |
| Total revenues | <u>47,468,046</u> | <u>13,292,764</u> | <u>60,760,810</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 6,156,042 | 56,045 | 6,212,087 |
| Public safety | 24,099,171 | 1,284,929 | 25,384,100 |
| Public works | 9,127,316 | - | 9,127,316 |
| Engineering | 983,839 | - | 983,839 |
| Parks and recreation | 7,600,363 | 709,549 | 8,309,912 |
| Public service | 1,388,166 | 10,216,378 | 11,604,544 |
| Hazard mitigation | - | - | - |
| Community revitalization | - | 3,585,679 | 3,585,679 |
| Debt service | 3,071,310 | 575,093 | 3,646,403 |
| Total expenditures | <u>52,426,207</u> | <u>16,427,673</u> | <u>68,853,880</u> |
| Revenues over (under) expenditures | <u>(4,958,161)</u> | <u>(3,134,909)</u> | <u>(8,093,070)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 3,300,000 | 832,894 | 4,132,894 |
| Transfers to other funds | (886,455) | (442,747) | (1,329,202) |
| Debt financing issued | - | 1,084,661 | 1,084,661 |
| Installment purchase financing issued | 840,000 | 865,000 | 1,705,000 |
| Repayment of grant money | - | - | - |
| Total other financing sources (uses) | <u>3,253,545</u> | <u>2,339,808</u> | <u>5,593,353</u> |
| Net change in fund balances | (1,704,616) | (795,101) | (2,499,717) |
| Fund balance: | | | |
| Beginning of year, July 1 | <u>23,868,667</u> | <u>4,846,841</u> | <u>28,715,508</u> |
| End of year, June 30 | <u>\$ 22,164,051</u> | <u>\$ 4,051,740</u> | <u>\$ 26,215,791</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, 2010**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (2,499,717)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.

| | |
|--|-------------|
| Capital outlay | 5,588,437 |
| Depreciation | (4,860,851) |
| Basis of disposed/transferred capital assets | (341,730) |

| | |
|--|---------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. | 551,405 |
|--|---------|

| | |
|---|-----------|
| 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. | (684,794) |
|---|-----------|

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.

| | |
|--|-------------|
| Other post employment benefit net obligation | (796,388) |
| Debt issuance | (2,789,661) |
| Debt retirement | 3,202,319 |

| | |
|--|------------------|
| A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities. | <u>(156,756)</u> |
|--|------------------|

| | |
|--|------------------------------|
| Changes in net assets of governmental activities | <u><u>\$ (2,787,736)</u></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, 2010**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance Positive/(Negative)</u> |
|----------------------------|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 20,915,000 | \$ 20,915,000 | \$ 21,344,953 | \$ 429,953 |
| Intergovernmental | 18,121,850 | 18,691,850 | 16,399,644 | (2,292,206) |
| Licenses and permits | 911,500 | 911,500 | 948,416 | 36,916 |
| Sales and service | 7,689,000 | 7,732,000 | 7,680,531 | (51,469) |
| Investment earnings | 405,000 | 405,000 | 117,818 | (287,182) |
| Miscellaneous | 788,800 | 899,320 | 976,684 | 77,364 |
| Total revenues | <u>48,831,150</u> | <u>49,554,670</u> | <u>47,468,046</u> | <u>(2,086,624)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Mayor and council | 1,170,440 | 1,278,357 | 895,823 | 382,534 |
| City clerk | 226,730 | 234,730 | 229,992 | 4,738 |
| Community services | 488,600 | 489,510 | 489,382 | 128 |
| City manager | 597,670 | 604,720 | 595,247 | 9,473 |
| Public affairs | 141,620 | 121,270 | 105,008 | 16,262 |
| Downtown development | 110,240 | 131,990 | 113,525 | 18,465 |
| Finance | 575,070 | 545,571 | 187,736 | 357,835 |
| Central services | 889,300 | 1,030,300 | 931,078 | 99,222 |
| Planning and development | 1,630,390 | 1,609,390 | 1,594,775 | 14,615 |
| Human resources | 1,363,170 | 793,889 | 752,365 | 41,524 |
| Human relations | 265,770 | 266,270 | 261,111 | 5,159 |
| Total general government | <u>7,459,000</u> | <u>7,105,997</u> | <u>6,156,042</u> | <u>949,955</u> |
| Public Safety: | | | | |
| Police | 13,274,820 | 13,873,104 | 13,687,379 | 185,725 |
| Fire | 10,059,160 | 10,469,145 | 10,411,792 | 57,353 |
| Total public safety | <u>23,333,980</u> | <u>24,342,249</u> | <u>24,099,171</u> | <u>243,078</u> |
| Public Works: | | | | |
| Administration | 193,570 | 195,270 | 194,251 | 1,019 |
| Street and row maintenance | 1,955,780 | 1,956,300 | 1,812,813 | 143,487 |
| Housing code enforcement | 939,230 | 927,870 | 848,916 | 78,954 |
| Environmental service | 7,717,600 | 8,230,665 | 6,046,462 | 2,184,203 |
| Fleet maintenance | 373,350 | 440,850 | 224,874 | 215,976 |
| Total public works | <u>11,179,530</u> | <u>11,750,955</u> | <u>9,127,316</u> | <u>2,623,639</u> |
| Engineering: | | | | |
| Administration | 446,630 | 422,630 | 411,724 | 10,906 |
| Traffic | 652,940 | 628,940 | 572,115 | 56,825 |
| Total engineering | <u>1,099,570</u> | <u>1,051,570</u> | <u>983,839</u> | <u>67,731</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, 2010**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance Positive/(Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Parks and Recreation: | | | | |
| Administration | 364,840 | 384,740 | 382,031 | 2,709 |
| Athletics | 486,010 | 493,198 | 490,710 | 2,488 |
| Cultural arts | 633,880 | 695,261 | 641,860 | 53,401 |
| Amusements and special events | 130,310 | 226,321 | 210,901 | 15,420 |
| Museum | 479,710 | 481,710 | 477,267 | 4,443 |
| Parks maintenance | 1,734,050 | 1,801,005 | 1,800,150 | 855 |
| Cemetery operations | 430,220 | 437,220 | 436,876 | 344 |
| Outdoor programs | 241,740 | 239,461 | 239,217 | 244 |
| Neighborhood programs | 614,410 | 649,508 | 647,394 | 2,114 |
| Senior programs | 396,550 | 438,169 | 433,363 | 4,806 |
| Sports complex | 349,030 | 441,615 | 420,848 | 20,767 |
| Imperial Centre | 1,393,780 | 1,421,125 | 1,419,746 | 1,379 |
| Total parks and recreation | <u>7,254,530</u> | <u>7,709,333</u> | <u>7,600,363</u> | <u>108,970</u> |
| Public service | <u>2,627,800</u> | <u>4,309,308</u> | <u>1,388,166</u> | <u>2,921,142</u> |
| Debt service | <u>2,842,340</u> | <u>3,072,560</u> | <u>3,071,310</u> | <u>1,250</u> |
| Total expenditures | <u>55,796,750</u> | <u>59,341,972</u> | <u>52,426,207</u> | <u>6,915,765</u> |
| Revenues over (under) expenditures | <u>(6,965,600)</u> | <u>(9,787,302)</u> | <u>(4,958,161)</u> | <u>4,829,141</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | 3,300,000 | 3,300,000 | 3,300,000 | - |
| Transfers to other funds | (1,122,700) | (1,162,304) | (886,455) | 275,849 |
| Installment purchase financing used | 1,575,000 | 1,575,000 | 840,000 | (735,000) |
| Total other financing sources (uses) | <u>3,752,300</u> | <u>3,712,696</u> | <u>3,253,545</u> | <u>(459,151)</u> |
| Fund balance appropriated | <u>3,213,300</u> | <u>6,074,606</u> | <u>-</u> | <u>(6,074,606)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>(1,704,616)</u> | <u>\$ (1,704,616)</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>23,868,667</u> | |
| End of year, June 30 | | | <u>\$ 22,164,051</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, 2010

Business-Type Activities

| | Major Funds | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Electric Fund | Gas Fund | Water Fund | Sewer Fund |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents/investments | \$ 11,082,716 | \$ 10,399,873 | \$ 4,554,026 | \$ 2,270,462 |
| Restricted cash and investments | 627,229 | 10,115 | 993,268 | 2,326,843 |
| Due from other funds | - | 87,968 | - | - |
| Receivables - net: | | | | |
| Assessments | - | - | 79,722 | 142,735 |
| Customers | 11,779,968 | 645,975 | 968,617 | 1,378,103 |
| Other governmental agencies | 996,266 | - | 313,261 | 194,360 |
| Notes receivable | - | - | 11,345 | 5,431 |
| Other | 38,393 | 15,837 | 27,583 | 30,769 |
| Inventories | 2,262,028 | 115,727 | 120,208 | 7,055 |
| Total current assets | <u>26,786,600</u> | <u>11,275,495</u> | <u>7,068,030</u> | <u>6,355,758</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Capital assets, nondepreciable | 2,408,116 | 335,247 | 1,720,732 | 3,221,150 |
| Capital assets, depreciable, net of accumulated depreciation and amortization | <u>30,697,715</u> | <u>11,624,009</u> | <u>28,289,804</u> | <u>53,271,922</u> |
| Total capital assets (net of accumulated depreciation) | <u>33,105,831</u> | <u>11,959,256</u> | <u>30,010,536</u> | <u>56,493,072</u> |
| Other Noncurrent Assets | | | | |
| Due from other funds | - | 827,106 | - | - |
| Total other noncurrent assets | <u>-</u> | <u>827,106</u> | <u>-</u> | <u>-</u> |
| Total noncurrent assets: | <u>33,105,831</u> | <u>12,786,362</u> | <u>30,010,536</u> | <u>56,493,072</u> |
| Total assets | <u>\$ 59,892,431</u> | <u>\$ 24,061,857</u> | <u>\$ 37,078,566</u> | <u>\$ 62,848,830</u> |
| Liabilities and Net Assets: | | | | |
| Current Liabilities: | | | | |
| Accounts payable and accrued expenditures | \$ 7,876,638 | \$ 602,408 | \$ 436,008 | \$ 487,730 |
| Due to other funds | - | - | 43,984 | 43,984 |
| Current accrued compensated absences | 207,848 | 42,142 | 157,020 | 73,663 |
| Current maturities of long-term debt | <u>1,244,306</u> | <u>124,393</u> | <u>502,213</u> | <u>1,049,964</u> |
| Total current liabilities | <u>9,328,792</u> | <u>768,943</u> | <u>1,139,225</u> | <u>1,655,341</u> |
| Noncurrent Liabilities: | | | | |
| Deposits | 2,403,269 | 1,064,124 | 823,535 | 8,351 |
| Accrued compensated absences | 105,151 | 42,112 | 24,668 | 10,106 |
| Due to other funds | - | - | 413,553 | 413,553 |
| Noncurrent portion of long-term debt | <u>3,014,172</u> | <u>157,798</u> | <u>2,992,073</u> | <u>8,921,465</u> |
| Total noncurrent liabilities | <u>5,522,592</u> | <u>1,264,034</u> | <u>4,253,829</u> | <u>9,353,475</u> |
| Total liabilities | <u>14,851,384</u> | <u>2,032,977</u> | <u>5,393,054</u> | <u>11,008,816</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 29,751,503 | 11,781,660 | 27,761,898 | 48,959,959 |
| Unrestricted | <u>15,289,544</u> | <u>10,247,220</u> | <u>3,923,614</u> | <u>2,880,055</u> |
| Total net assets | <u>\$ 45,041,047</u> | <u>\$ 22,028,880</u> | <u>\$ 31,685,512</u> | <u>\$ 51,840,014</u> |

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

Exhibit G

| <u>Other Nonmajor Fund</u> | <u>Total Business-Type Activities Enterprise</u> | <u>Governmental Activities</u> |
|------------------------------------|--|--|
| | | <u>Internal Service Fund Risk Management</u> |
| \$ 2,224,486 | \$ 30,531,563 | \$ - |
| 295,959 | 4,253,414 | 521,293 |
| - | 87,968 | - |
| - | 222,457 | - |
| 198,562 | 14,971,225 | - |
| - | 1,503,887 | - |
| - | 16,776 | - |
| 43,226 | 155,808 | 5,747 |
| - | 2,505,018 | - |
| <u>2,762,233</u> | <u>54,248,116</u> | <u>527,040</u> |
| 615,579 | 8,300,824 | - |
| <u>1,668,157</u> | <u>125,551,607</u> | <u>-</u> |
| <u>2,283,736</u> | <u>133,852,431</u> | <u>-</u> |
| - | 827,106 | - |
| - | 827,106 | - |
| <u>2,283,736</u> | <u>134,679,537</u> | <u>-</u> |
| <u>\$ 5,045,969</u> | <u>\$ 188,927,653</u> | <u>\$ 527,040</u> |
| \$ 162,879 | \$ 9,565,663 | \$ 158,968 |
| - | 87,968 | - |
| 51,901 | 532,574 | - |
| 206,249 | 3,127,125 | - |
| <u>421,029</u> | <u>13,313,330</u> | <u>158,968</u> |
| 7,975 | 4,307,254 | - |
| 40,188 | 222,225 | - |
| - | 827,106 | - |
| 578,705 | 15,664,213 | - |
| <u>626,868</u> | <u>21,020,798</u> | <u>-</u> |
| <u>1,047,897</u> | <u>34,334,128</u> | <u>158,968</u> |
| 1,918,698 | 120,173,718 | - |
| 2,079,374 | 34,419,807 | 368,072 |
| <u>\$ 3,998,072</u> | <u>\$ 154,593,525</u> | <u>\$ 368,072</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

| | Business-Type Activities | | | |
|--|---------------------------------|----------------------|-----------------------|-----------------------|
| | Major Enterprise Funds | | | |
| | Electric Fund | Gas Fund | Water Fund | Sewer Fund |
| Operating Revenues: | | | | |
| Charges for sales and services | \$ 92,440,662 | \$ 25,026,292 | \$ 10,970,151 | \$ 11,728,526 |
| Licenses and permits | - | - | 42,976 | 47,552 |
| Other operating revenues | 1,769,991 | (1,082) | 177,033 | 148,866 |
| Total operating revenues | <u>94,210,653</u> | <u>25,025,210</u> | <u>11,190,160</u> | <u>11,924,944</u> |
| Operating Expenses: | | | | |
| Distribution systems | 84,625,672 | 20,999,333 | - | - |
| Treatment plants | - | - | 5,410,434 | 6,075,760 |
| Engineering | 1,264,035 | - | - | - |
| Support services | 740,480 | - | 2,174,707 | 2,611,559 |
| Energy services | 1,457,464 | - | - | - |
| Storm water operations | - | - | - | - |
| Insurance claims | - | - | - | - |
| Cost of service and administration | - | - | - | - |
| Depreciation and amortization | 1,712,997 | 417,302 | 1,295,900 | 1,803,753 |
| Total operating expenses | <u>89,800,648</u> | <u>21,416,635</u> | <u>8,881,041</u> | <u>10,491,072</u> |
| Operating income (loss) | <u>4,410,005</u> | <u>3,608,575</u> | <u>2,309,119</u> | <u>1,433,872</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Grants and subsidies | 2,257,775 | - | 156,631 | 194,360 |
| Other | - | - | 67,370 | - |
| Investment earnings | 402,727 | 157,267 | 61,646 | 78,285 |
| Interest expense | (91,245) | (5,495) | (124,956) | (292,484) |
| Appropriation to school system | (472,031) | (400,388) | - | - |
| Total nonoperating revenues (expenses) | <u>2,097,226</u> | <u>(248,616)</u> | <u>160,691</u> | <u>(19,839)</u> |
| Income (loss) before transfers | <u>6,507,231</u> | <u>3,359,959</u> | <u>2,469,810</u> | <u>1,414,033</u> |
| Transfers from other funds | 9,220 | - | - | - |
| Transfers to other funds | (1,600,000) | (1,250,000) | (250,000) | (12,912) |
| Total transfers | <u>(1,590,780)</u> | <u>(1,250,000)</u> | <u>(250,000)</u> | <u>(12,912)</u> |
| Change in net assets | 4,916,451 | 2,109,959 | 2,219,810 | 1,401,121 |
| Net Assets: | | | | |
| Beginning of year - July 1 | 40,124,596 | 19,918,921 | 29,465,702 | 50,438,893 |
| End of year - June 30 | <u>\$ 45,041,047</u> | <u>\$ 22,028,880</u> | <u>\$ 31,685,512</u> | <u>\$ 51,840,014</u> |

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

Exhibit H

| <u>Other Nonmajor Fund</u> | <u>Total Business-Type Activities Enterprise</u> | <u>Governmental Activities</u> |
|------------------------------------|--|--|
| | | <u>Internal Service Fund Risk Management</u> |
| \$ 2,930,985 | \$ 143,096,616 | \$ 6,199,961 |
| - | 90,528 | - |
| <u>2,770</u> | <u>2,097,578</u> | <u>-</u> |
| <u>2,933,755</u> | <u>145,284,722</u> | <u>6,199,961</u> |
| - | 105,625,005 | - |
| - | 11,486,194 | - |
| - | 1,264,035 | - |
| 677,672 | 6,204,418 | - |
| - | 1,457,464 | - |
| 2,039,710 | 2,039,710 | - |
| - | - | 5,166,313 |
| - | - | 1,190,404 |
| <u>214,392</u> | <u>5,444,344</u> | <u>-</u> |
| <u>2,931,774</u> | <u>133,521,170</u> | <u>6,356,717</u> |
| <u>1,981</u> | <u>11,763,552</u> | <u>(156,756)</u> |
| 43,126 | 2,651,892 | - |
| - | 67,370 | - |
| 33,349 | 733,274 | - |
| (7,668) | (521,848) | - |
| <u>-</u> | <u>(872,419)</u> | <u>-</u> |
| <u>68,807</u> | <u>2,058,269</u> | <u>-</u> |
| <u>70,788</u> | <u>13,821,821</u> | <u>(156,756)</u> |
| 300,000 | 309,220 | - |
| - | (3,112,912) | - |
| <u>300,000</u> | <u>(2,803,692)</u> | <u>-</u> |
| 370,788 | 11,018,129 | (156,756) |
| <u>3,627,284</u> | <u>143,575,396</u> | <u>524,828</u> |
| <u>\$ 3,998,072</u> | <u>\$ 154,593,525</u> | <u>\$ 368,072</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

| | Major Enterprise Funds | | | |
|--|-------------------------------|----------------------|-----------------------|-----------------------|
| | Electric Fund | Gas Fund | Water Fund | Sewer Fund |
| Cash Flows From Operating Activities: | | | | |
| Receipts from customers | \$ 92,197,591 | \$ 25,359,118 | \$ 10,667,644 | \$ 11,603,413 |
| Payments to suppliers for goods and services | (83,070,800) | (19,677,448) | (4,516,190) | (6,120,811) |
| Payments to or on behalf of employees | (4,745,216) | (1,326,561) | (2,832,144) | (2,302,219) |
| Net cash provided (used) by operating activities | <u>4,381,575</u> | <u>4,355,109</u> | <u>3,319,310</u> | <u>3,180,383</u> |
| Cash Flows From Noncapital Financing Activities: | | | | |
| Transfers to other funds - net | (1,590,780) | (1,250,000) | (250,000) | (12,912) |
| Payments from (to) other funds | - | 84,926 | (42,463) | (42,463) |
| Appropriation to school system | (472,031) | (400,388) | - | - |
| Net cash provided (used) by noncapital financing activities | <u>(2,062,811)</u> | <u>(1,565,462)</u> | <u>(292,463)</u> | <u>(55,375)</u> |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Debt Issued | 1,455,000 | 65,000 | 1,221,631 | 3,130,000 |
| Acquisition and construction of capital assets | (5,302,009) | (1,788,407) | (961,395) | (2,254,179) |
| Interest paid | (91,245) | (5,495) | (112,096) | (246,229) |
| Insurance recovery | - | - | 67,370 | - |
| Proceeds from grants and subsidies | 2,257,775 | - | 156,631 | 194,360 |
| Principal payments on long-term debt | (1,098,246) | (163,139) | (1,179,108) | (1,822,170) |
| Net cash provided (used) by capital and related financing activities | <u>(2,778,725)</u> | <u>(1,892,041)</u> | <u>(806,967)</u> | <u>(998,218)</u> |
| Cash Flows From Investing Activities: | | | | |
| Investment earnings | <u>402,727</u> | <u>157,267</u> | <u>61,646</u> | <u>78,285</u> |
| Net cash provided (used) by investing activities | <u>402,727</u> | <u>157,267</u> | <u>61,646</u> | <u>78,285</u> |
| Net increase (decrease) in cash and cash equivalents/investments | <u>(57,234)</u> | <u>1,054,873</u> | <u>2,281,526</u> | <u>2,205,075</u> |
| Cash and Cash Equivalents/Investments: | | | | |
| Beginning of year, July 1 | <u>11,767,179</u> | <u>9,355,115</u> | <u>3,265,768</u> | <u>2,392,230</u> |
| End of year, June 30 | <u>\$ 11,709,945</u> | <u>\$ 10,409,988</u> | <u>\$ 5,547,294</u> | <u>\$ 4,597,305</u> |
| Cash and cash equivalents/investments | \$ 11,082,716 | \$ 10,399,873 | \$ 4,554,026 | \$ 2,270,462 |
| Restricted cash and investments | <u>627,229</u> | <u>10,115</u> | <u>993,268</u> | <u>2,326,843</u> |
| | <u>\$ 11,709,945</u> | <u>\$ 10,409,988</u> | <u>\$ 5,547,294</u> | <u>\$ 4,597,305</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 |

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 |
| \$ 2,812,749 | \$ 142,640,515 | \$ 6,277,585 |
| (730,916) | (114,116,165) | (6,275,580) |
| (1,856,153) | (13,062,293) | - |
| <u>225,680</u> | <u>15,462,057</u> | <u>2,005</u> |
| 300,000 | (2,803,692) | - |
| - | - | - |
| - | (872,419) | - |
| <u>300,000</u> | <u>(3,676,111)</u> | <u>-</u> |
| 485,000 | 6,356,631 | - |
| (530,020) | (10,836,010) | - |
| (7,668) | (462,733) | - |
| - | 67,370 | - |
| 43,126 | 2,651,892 | - |
| (226,674) | (4,489,337) | - |
| <u>(236,236)</u> | <u>(6,712,187)</u> | <u>-</u> |
| 33,349 | 733,274 | - |
| <u>33,349</u> | <u>733,274</u> | <u>-</u> |
| 322,793 | 5,807,033 | 2,005 |
| 2,197,652 | 28,977,944 | 519,288 |
| <u>\$ 2,520,445</u> | <u>\$ 34,784,977</u> | <u>\$ 521,293</u> |
| \$ 2,224,486 | \$ 30,531,563 | \$ - |
| 295,959 | 4,253,414 | 521,293 |
| <u>\$ 2,520,445</u> | <u>\$ 34,784,977</u> | <u>\$ 521,293</u> |
| \$ - | \$ 13,585 | \$ - |
| <u>\$ -</u> | <u>\$ 45,530</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, 2010**

| | Major Enterprise Funds | | | |
|---|-------------------------------|---------------------|-----------------------|-----------------------|
| | Electric Fund | Gas Fund | Water Fund | Sewer Fund |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities: | | | | |
| Operating income (loss) | \$ 4,410,005 | \$ 3,608,575 | \$ 2,309,119 | \$ 1,433,872 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Depreciation and amortization | 1,712,997 | 417,302 | 1,295,900 | 1,803,753 |
| Change in Assets and Liabilities: | | | | |
| (Increase) decrease in receivables and assessments | (2,091,917) | 187,627 | (526,743) | (321,857) |
| (Increase) decrease in inventories | (269,865) | (9,619) | (4,890) | 465 |
| Increase (decrease) in accounts payable and accrued expenses | 441,858 | (26,422) | 189,243 | 230,978 |
| Increase (decrease) in deposits | 78,855 | 146,281 | 4,227 | 326 |
| Increase (decrease) in accrued compensated absences and other accrued liabilities | <u>99,642</u> | <u>31,365</u> | <u>52,454</u> | <u>32,846</u> |
| Net cash provided (used) by operating activities | <u>\$ 4,381,575</u> | <u>\$ 4,355,109</u> | <u>\$ 3,319,310</u> | <u>\$ 3,180,383</u> |

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

Exhibit I
Page 2 of 2

| <u>Other Nonmajor Fund</u> | | <u>Governmental Activities</u> |
|------------------------------------|----------------------|--------------------------------------|
| <u>Storm Water Management</u> | <u>Total</u> | <u>Internal Service Fund</u> |
| | | <u>Risk Management</u> |
| \$ 1,981 | \$ 11,763,552 | \$ (156,756) |
| 214,392 | 5,444,344 | - |
| (105,731) | (2,858,621) | 77,624 |
| - | (283,909) | - |
| 85,664 | 921,321 | 81,137 |
| (15,275) | 214,414 | - |
| - | - | - |
| <u>44,649</u> | <u>260,956</u> | <u>-</u> |
| <u>\$ 225,680</u> | <u>\$ 15,462,057</u> | <u>\$ 2,005</u> |

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, 2010**

| | <u>Agency Funds</u> |
|---|-------------------------|
| Assets: | |
| Cash and cash equivalents/investments | \$ 4,363,428 |
| Note receivable | 5,909,600 |
| Reserve for note receivable | (5,909,600) |
| Capital Assets (nondepreciable) | 320,689 |
| Total assets | <u>\$ 4,684,117</u> |
| | |
| Liabilities: | |
| Accounts payable | \$ 112 |
| Note payable | 10,482,164 |
| Due to other agencies | (6,118,848) |
| Invested in capital assets, net of related debt | 320,689 |
| Total liabilities | <u>\$ 4,684,117</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, 2010

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 60,220 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

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

City of Rocky Mount Theatre, LLC

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

Basis of Presentation

Government-Wide Statements: The Statement of Net 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, 2010

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, 2010

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 three agency funds: the Community Development and Governmental Activities Fund, the Douglas Block Landlord, LLC 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, 2010

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 2009, through February 2010, apply to the fiscal year ended June 30, 2010. 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, 2010

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, 2010. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2010. 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, 2010

Funds with Multi-Year Budgets

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

Funds adopting annual budgets include the General Fund, the proprietary funds, the special revenue funds – 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, 2010

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, 2010, 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, 2010

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, which were paid off this fiscal year, 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, 2010

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, 2010

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 2010-2011 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, 2010

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, 2010, the City's deposits had a carrying amount of \$20,560,939 and a bank balance of approximately \$20,941,821. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$19,691,821 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 \$73,468 and the bank balance was the same.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010, the City had \$37,050,293 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 | \$ 37,050,293 | \$ 37,050,293 | N/A |

Total cash and investments of \$57,640,358 reported by the City include cash on hand of \$8,800 and \$299,164 held by the City in the agency fund, Community Development and Governmental Activities Fund. The City also reported an additional \$4,064,264 in cash and investments in agency funds, Business Development Authority and Douglas Block Landlord, LLC, which were held in non-City bank accounts.

At June 30, 2010, the City had \$6,496,320 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 \$521,293 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, 2010

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, 2010, are net of the following allowances for doubtful accounts:

| <u>Fund</u> | <u>June 30, 2010</u> |
|--|--------------------------|
| Governmental Activities: | |
| Ad valorem taxes | \$ 1,187,885 |
| Planning loans | 8,282,027 |
| Miscellaneous | 1,340,826 |
| Customers | <u>99,878</u> |
| Total governmental activities | <u>10,910,616</u> |
| Business-Type Activities: | |
| Customers: | |
| Electric | 1,144,608 |
| Gas | 607,512 |
| Water | 175,000 |
| Sewer | 218,048 |
| Other | <u>88,799</u> |
| Total business-type activities | <u>2,233,967</u> |
| Total allowances for doubtful accounts | <u>\$ 13,144,583</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Accounts Receivable

At June 30, 2010, funds due from other governmental agencies and business-type activities consisted of the following:

Governmental Activities:

| | General | Nonmajor Governmental | Total |
|--------------------------|----------------|----------------------------------|--------------|
| Sales tax refund | \$ 900,622 | \$ - | \$ 900,622 |
| Vehicle fee | 213,813 | - | 213,813 |
| Local option tax | 1,423,267 | - | 1,423,267 |
| Grants receivable | 53,980 | 1,584,721 | 1,638,701 |
| Franchise tax | 125,000 | - | 125,000 |
| Miscellaneous receivable | 3,864 | 142 | 4,006 |
| | \$ 2,720,546 | \$ 1,584,863 | \$ 4,305,409 |

Business-Type Activities:

| | Total |
|----------|--------------|
| Electric | \$ 996,266 |
| Water | 313,261 |
| Sewer | 194,360 |
| | \$ 1,503,887 |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2010, was as follows:

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|--|----------------------|---------------------|---------------------|-------------------|----------------------|
| Governmental Activities: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 7,015,555 | \$ 937,191 | \$ 294,002 | \$ - | \$ 7,658,744 |
| Construction in progress | <u>1,661,128</u> | <u>553,020</u> | <u>-</u> | <u>(262,449)</u> | <u>1,951,699</u> |
| Total capital assets not being depreciated | <u>8,676,683</u> | <u>1,490,211</u> | <u>294,002</u> | <u>(262,449)</u> | <u>9,610,443</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 20,017,906 | 103,970 | - | - | 20,121,876 |
| Buildings | 49,769,431 | 304,487 | - | 198,700 | 50,272,618 |
| Equipment | 38,047,826 | 2,881,342 | 1,789,241 | 164,983 | 39,304,909 |
| Infrastructure | <u>42,315,096</u> | <u>808,428</u> | <u>-</u> | <u>63,749</u> | <u>43,187,273</u> |
| Total capital assets being depreciated | <u>150,150,259</u> | <u>4,098,227</u> | <u>1,789,241</u> | <u>427,432</u> | <u>152,886,676</u> |
| Less Accumulated Depreciation for: | | | | | |
| Land improvements | 4,053,869 | 770,692 | - | - | 4,824,561 |
| Buildings | 16,140,340 | 1,043,903 | - | - | 17,184,243 |
| Equipment | 28,869,227 | 2,448,375 | 1,741,513 | 164,983 | 29,741,073 |
| Infrastructure | 10,890,639 | 597,881 | - | - | 11,488,520 |
| Airport | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total accumulated depreciation | <u>59,954,075</u> | <u>\$ 4,860,851</u> | <u>\$ 1,741,513</u> | <u>\$ 164,983</u> | <u>63,238,397</u> |
| Total capital assets being depreciated, net | <u>90,196,184</u> | | | | <u>89,648,279</u> |
| Governmental activities capital assets, net | <u>\$ 98,872,867</u> | | | | <u>\$ 99,258,722</u> |

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

| | |
|--------------------|---------------------|
| General government | \$ 781,932 |
| Public works | 1,299,583 |
| Public safety | 936,530 |
| Transit | 441,821 |
| Planning | 46,939 |
| Recreation | 1,097,116 |
| Airport | <u>256,930</u> |
| Total | <u>\$ 4,860,851</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Capital asset activity for the business-type activities for the year ended June 30, 2010, was as follows:

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|--|----------------------|---------------------|---------------------|------------------|----------------------|
| Electric Fund: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 112,441 | \$ - | \$ - | \$ - | \$ 112,441 |
| Construction in progress | 336,138 | 1,959,537 | - | - | 2,295,675 |
| Total capital assets not being depreciated | <u>448,579</u> | <u>1,959,537</u> | <u>-</u> | <u>-</u> | <u>2,408,116</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 408,908 | - | - | - | 408,908 |
| Buildings | 7,952,213 | 56,274 | (1,652,643) | - | 6,355,844 |
| Equipment | 29,347,184 | 1,907,233 | (802,576) | (372,196) | 30,079,644 |
| Infrastructure | 23,074,446 | 1,590,526 | (87,419) | - | 24,577,553 |
| Total capital assets being depreciated | <u>60,782,751</u> | <u>3,554,033</u> | <u>(2,542,638)</u> | <u>(372,196)</u> | <u>61,421,949</u> |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | 193,992 | 14,708 | - | - | 208,700 |
| Buildings | 4,689,798 | 147,594 | (1,652,643) | - | 3,184,749 |
| Equipment | 21,146,669 | 1,093,244 | (651,391) | (372,196) | 21,216,326 |
| Infrastructure | 5,684,052 | 457,450 | (27,043) | - | 6,114,459 |
| Total accumulated depreciation | <u>31,714,511</u> | <u>1,712,996</u> | <u>(2,331,077)</u> | <u>(372,196)</u> | <u>30,724,234</u> |
| Total capital assets being depreciated, net | <u>29,068,240</u> | <u>1,841,037</u> | <u>(211,561)</u> | <u>-</u> | <u>30,697,715</u> |
| Electric Fund capital assets, net | <u>\$ 29,516,819</u> | <u>\$ 3,800,574</u> | <u>\$ (211,561)</u> | <u>\$ -</u> | <u>\$ 33,105,831</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|--|----------------------|---------------------|--------------------|------------------|----------------------|
| Gas Fund: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 8,727 | \$ - | \$ - | \$ - | \$ 8,727 |
| Construction in progress | <u>-</u> | <u>326,520</u> | <u>-</u> | <u>-</u> | <u>326,520</u> |
| Total capital assets not being depreciated | <u>8,727</u> | <u>326,520</u> | <u>-</u> | <u>-</u> | <u>335,247</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 11,425 | - | - | - | 11,425 |
| Buildings | 328,550 | - | - | - | 328,550 |
| Equipment | 6,332,523 | 878,061 | - | (63,882) | 7,146,702 |
| Infrastructure | <u>8,220,076</u> | <u>583,825</u> | <u>-</u> | <u>-</u> | <u>8,803,901</u> |
| Total capital assets being depreciated | <u>14,892,574</u> | <u>1,461,886</u> | <u>-</u> | <u>(63,882)</u> | <u>16,290,578</u> |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | 38 | 457 | - | - | 495 |
| Buildings | 98,966 | 6,243 | - | - | 105,209 |
| Equipment | 3,287,926 | 301,395 | - | (63,882) | 3,525,439 |
| Infrastructure | <u>926,220</u> | <u>109,206</u> | <u>-</u> | <u>-</u> | <u>1,035,426</u> |
| Total accumulated depreciation | <u>4,313,150</u> | <u>417,301</u> | <u>-</u> | <u>(63,882)</u> | <u>4,666,569</u> |
| Total capital assets being depreciated, net | <u>10,579,424</u> | <u>1,044,585</u> | <u>-</u> | <u>-</u> | <u>11,624,009</u> |
| Gas Fund capital assets, net | <u>\$ 10,588,151</u> | <u>\$ 1,371,105</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,959,256</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|--|----------------------|---------------------|--------------------|-------------------|----------------------|
| Water Fund: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 805,580 | \$ - | \$ - | \$ - | \$ 805,580 |
| Construction in progress | 225,774 | 758,928 | - | (69,550) | 915,152 |
| Total capital assets not being depreciated | <u>1,031,354</u> | <u>758,928</u> | <u>-</u> | <u>(69,550)</u> | <u>1,720,732</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 9,095,375 | 7,500 | - | - | 9,102,875 |
| Buildings | 12,269,960 | - | - | - | 12,269,960 |
| Equipment | 6,058,813 | 151,980 | (99,393) | 201,752 | 6,313,152 |
| Infrastructure | 25,873,421 | 42,987 | - | - | 25,916,408 |
| Total capital assets being depreciated | <u>53,297,569</u> | <u>202,467</u> | <u>(99,393)</u> | <u>201,752</u> | <u>53,602,395</u> |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | 6,363,330 | 438,118 | - | - | 6,801,449 |
| Buildings | 5,071,787 | 245,942 | - | - | 5,317,729 |
| Equipment | 4,867,703 | 257,297 | (99,393) | 140,316 | 5,165,923 |
| Infrastructure | 7,681,061 | 346,429 | - | - | 8,027,490 |
| Total accumulated depreciation | <u>23,983,881</u> | <u>1,287,786</u> | <u>(99,393)</u> | <u>140,316</u> | <u>25,312,591</u> |
| Total capital assets being depreciated, net | <u>29,313,688</u> | <u>(1,085,319)</u> | <u>-</u> | <u>61,436</u> | <u>28,289,804</u> |
| Water Fund capital assets, net | <u>\$ 30,345,042</u> | <u>\$ (326,391)</u> | <u>\$ -</u> | <u>\$ (8,114)</u> | <u>\$ 30,010,536</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|---|--------------------------|------------------------|--------------------|------------------|--------------------------|
| Sewer Fund: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 633,965 | \$ 59,545 | \$ - | \$ - | \$ 693,510 |
| Construction in progress | <u>590,610</u> | <u>1,937,030</u> | <u>-</u> | <u>-</u> | <u>2,527,640</u> |
| Total capital assets not being depreciated | <u>1,224,575</u> | <u>1,996,575</u> | <u>-</u> | <u>-</u> | <u>3,221,150</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 2,180,163 | - | - | - | 2,180,163 |
| Buildings | 43,717,406 | - | - | - | 43,717,406 |
| Equipment | 20,597,916 | 257,601 | (288,975) | 172,078 | 20,738,620 |
| Infrastructure | <u>26,130,683</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,130,683</u> |
| Total capital assets being depreciated | <u>92,626,168</u> | <u>257,601</u> | <u>(288,975)</u> | <u>172,078</u> | <u>92,766,872</u> |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | 2,113,725 | 2,490 | - | - | 2,116,215 |
| Buildings | 14,344,979 | 771,754 | - | - | 15,116,732 |
| Equipment | 13,345,936 | 681,450 | (288,975) | 172,078 | 13,910,489 |
| Infrastructure | <u>8,003,455</u> | <u>348,059</u> | <u>-</u> | <u>-</u> | <u>8,351,514</u> |
| Total accumulated depreciation | <u>37,808,095</u> | <u>1,803,753</u> | <u>(288,975)</u> | <u>172,078</u> | <u>39,494,950</u> |
| Total capital assets being depreciated, net | <u>54,818,073</u> | <u>(1,546,152)</u> | <u>-</u> | <u>-</u> | <u>53,271,922</u> |
| Sewer Fund capital assets, net | <u>\$ 56,042,648</u> | <u>\$ 450,423</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 56,493,072</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>June 30, 2010</u> |
|---|---------------------|-------------------|--------------------|------------------|----------------------|
| Storm Water Management Fund: | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 64,194 | \$ 145,395 | \$ - | \$ - | \$ 209,589 |
| Construction in progress | <u>517,855</u> | <u>179,650</u> | <u>-</u> | <u>(291,515)</u> | <u>405,990</u> |
| Total capital assets not being depreciated | <u>582,049</u> | <u>325,045</u> | <u>-</u> | <u>(291,515)</u> | <u>615,579</u> |
| Capital Assets Being Depreciated: | | | | | |
| Land improvements | 17,300 | - | - | - | 17,300 |
| Buildings | 65,000 | - | - | - | 65,000 |
| Equipment | 2,450,577 | 204,975 | - | (33,184) | 2,622,367 |
| Infrastructure | <u>413,126</u> | <u>-</u> | <u>-</u> | <u>291,515</u> | <u>704,641</u> |
| Total capital assets being depreciated | <u>2,946,003</u> | <u>204,975</u> | <u>-</u> | <u>258,331</u> | <u>3,409,308</u> |
| Less Accumulated Depreciation: | | | | | |
| Land improvements | 1,499 | 692 | - | - | 2,191 |
| Buildings | 1,408 | 1,300 | - | - | 2,708 |
| Equipment | 1,529,835 | 206,609 | - | (33,184) | 1,703,260 |
| Infrastructure | <u>27,201</u> | <u>5,467</u> | <u>-</u> | <u>324</u> | <u>32,992</u> |
| Total accumulated depreciation | <u>1,559,943</u> | <u>214,068</u> | <u>-</u> | <u>(32,860)</u> | <u>1,741,151</u> |
| Total capital assets being depreciated, net | <u>1,386,060</u> | <u>(9,093)</u> | <u>-</u> | <u>291,191</u> | <u>1,668,157</u> |
| Total Storm Water Management Fund capital assets, net | <u>\$ 1,968,109</u> | <u>\$ 315,952</u> | <u>\$ -</u> | <u>\$ (324)</u> | <u>\$ 2,283,736</u> |

Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2009, was as follows:

| | <u>December 31, 2008</u> | <u>Increases</u> | <u>Retirements</u> | <u>December 31, 2009</u> |
|---------------------------------|--------------------------|------------------|--------------------|--------------------------|
| Governmental Activities: | | | | |
| Capital assets | <u>\$ 8,980,734</u> | <u>\$ -</u> | <u>\$ 210,590</u> | <u>\$ 8,770,144</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2010, were as follows:

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|-------------------|
| Accounts and vouchers | \$ 1,011,071 | \$ 9,045,929 | \$ 10,057,000 |
| Claims incurred but not reported | 329,878 | 65,000 | 394,878 |
| Accrued payroll and related liabilities | 1,922,533 | 454,734 | 2,377,267 |
| Customer deposits | 300,611 | 4,307,254 | 4,607,865 |
| Total accounts payable and accrued liabilities | \$ 3,564,093 | \$ 13,872,917 | \$ 17,437,010 |

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, 2010, 2009, and 2008 were \$1,997,580, \$1,859,460, and \$1,735,789 respectively.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2009, the Separation Allowance's membership consisted of:

| | |
|--|------------|
| Retirees receiving benefits | 14 |
| Terminated plan members entitled to but not yet receiving benefits | - |
| Active plan members | <u>162</u> |
| Total | <u>176</u> |

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

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

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

The annual required contribution for the fiscal year ended June 30, 2010, was determined as part of the December 31, 2009, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases of 4.5% 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, 2008, was 22 years.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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 | \$ | 296,850 |
| Interest on net pension obligation | | 45,412 |
| Adjustment to annual required contribution | | <u>(39,458)</u> |
| Annual pension cost | | 302,804 |
| Contributions made | | <u>229,157</u> |
| Increase in net pension obligation | | 73,647 |
| Net pension obligation, beginning of year | | <u>626,378</u> |
| Net pension obligation, end of year | \$ | <u>700,025</u> |

Three-Year Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of of APC Contributed | Net Pension Obligation |
|----------------------|---------------------------------|--|---------------------------|
| 6/30/2008 | \$ 251,719 | 104.12% | \$ 592,945 |
| 6/30/2009 | 284,443 | 88.25% | 626,378 |
| 6/30/2010 | 302,804 | 75.68% | 700,025 |

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$3,835,812, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,835,812.

The covered payroll (annual payroll of active employees covered by the plan) was \$7,836,077 and the ratio of the UAAL to the covered payroll was 48.95 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, 2010

Supplemental Retirement Income Plan

Plan Description. All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment for law enforcement officers, all other employees have a one year waiting period before participation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All amounts contributed are vested immediately. Also, all employees may make voluntary contributions to the plan. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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

The City's contributions were calculated using a covered payroll amount of \$7,951,380 for employees engaged in law enforcement and \$31,872,475 for all other full-time employees. Total contributions for the year ended June 30, 2010, were \$1,672,468, which consisted of \$397,569 for employees engaged in law enforcement and \$1,274,899 for all other employees. Voluntary contributions made by all City employees totaled \$749,033.

Fireman's and Rescue Squad Workers' Pension Fund

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

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$18,220 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2010.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Other Post-Employment Benefits

Plan Description. The City (by local ordinance) administers a single-employer defined benefit plan which provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following criteria. 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, 2009, the date of the latest actuarial valuation:

| | |
|--|--------------|
| Retirees and dependents receiving benefits | 204 |
| Active members | 898 |
| | <u>1,102</u> |

Funding Policy. The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members, hired before 9/1/2009 that retire with at least 30 years of service or that retire with approved disability retirement, the City pays 100% of the cost for pre-65 health care coverage for the retiree. If hired on or after 9/1/2009, the City pays 100% for 30 or more years, 93.75% for 20-29 years, and 75% for 15-19 years of service. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. 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 City has chosen to fund healthcare benefits on a pay as you go basis.

The current annual required contribution rate (ARC) is 5.8% of annual covered payroll. For fiscal year 2010, the City contributed \$1,390,241, or 3.3% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2010, 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, 2010

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 | \$ 2,416,530 |
| Interest on net OPEB obligation | 101,195 |
| Adjustment to annual required contribution | <u>(87,305)</u> |
| Annual OPEB cost (expense) | 2,430,420 |
| Contributions made | <u>1,390,241</u> |
| Increase (decrease) in net OPEB obligation | 1,040,179 |
| Net OPEB obligation, beginning of year | <u>2,529,885</u> |
| Net OPEB obligation, end of year | <u>\$ 3,570,064</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

| <u>For Year Ended June 30</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation</u> |
|---------------------------------------|---------------------------------------|--|--------------------------------|
| 2008 | \$ 2,532,013 | 57.75% | \$ 1,069,707 |
| 2009 | 2,931,981 | 50.20% | 2,529,885 |
| 2010 | 2,430,420 | 57.20% | 3,570,064 |

As of December 31, 2009, 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 \$29,853,713. The covered payroll (annual payroll of active employees covered by the plan) was \$41,748,252, and the ratio of the UAAL to the covered payroll was 71.5%. 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, 2010

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, 2009, 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 2017, 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, 2009, 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, 2010, the City made contributions to the State for death benefits of \$40,706. 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, 2010

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 \$1,684,468 to the plans for the year ended June 30, 2010.

7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$889,345 for the year ended June 30, 2010. The City leases computer equipment and property under non-cancelable operating leases. The future minimum lease payments under these agreements are as follows:

| Year Ending June 30 | Amount |
|---------------------|---------------|
| 2011 | 850,000 |
| 2012 | 850,000 |
| 2013 | 850,000 |
| 2014 | 850,000 |
| 2015 | 850,000 |
| 2016-2020 | 4,250,000 |
| 2021-2024 | 3,400,000 |
| | \$ 11,900,000 |

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:

| | Deferred Revenues | Unearned Revenues |
|--|----------------------|----------------------|
| Taxes receivable (General Fund) | \$ 1,963,260 | \$ - |
| Accounts receivable (General Fund) | 339,487 | - |
| Assessments (General Fund) | 2,154,715 | - |
| Accounts receivable (other governmental funds) | 154,780 | - |
| Prepaid items (General Fund) | 900,951 | 900,951 |
| Total | \$ 5,513,193 | \$ 900,951 |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

9. Commitments

Construction

The City had outstanding commitments at June 30, 2010, of approximately \$162,338 for the English/Nicodemus road extension project, \$111,305 for phase II Downtown Streetscape design, \$199,606 for the Fire Prevention complex renovations, \$147,884 for the Northern Connector project, \$1,994,943 for Areas 4B and 8B water and sewer annexation improvements, \$113,301 for the 2" main replacement, \$314,415 for Bunn Farm water lines, \$434,811 for Lime Slurry feed systems, \$25,000 for Maple Creek outfall extension, \$435,449 for Leggett Park sewer, \$20,560 for Hornbeam Branch & Church street extension, \$222,399 for Long Branch drainage system, \$64,135 for Oakwood drainage, \$31,568 for South Pine street drainage, and \$15,078 for Maple Creek drainage. 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:

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| Line of Coverage | City's Net Retention |
|--|----------------------|
| 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 |

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 \$394,878 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$390,500.

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 2010 and 2009 are summarized as follows:

| Possible Claims and Judgments | 2010 | 2009 |
|--|-------------------|--------------------|
| Balance, beginning | \$ 332,974 | \$ 843,500 |
| Current year claims and changes in estimates | 640,515 | 562,297 |
| Claim payments | <u>(578,611)</u> | <u>(1,072,823)</u> |
| Balance, ending | <u>\$ 394,878</u> | <u>\$ 332,974</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2010, consist of the following:

Long Term Debt:

| | Serviced By | |
|---|----------------------------|-----------------------------|
| | Governmental Activities | Business-Type Activities |
| Installment Purchases: | | |
| Building; due in monthly installments of \$85,989; maturing June 2019; interest at 4.16% (LGC) | 7,734,629 | - |
| Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21% (LGC) | 215,994 | 3,586,401 |
| Building; due in monthly installments of \$14,593 plus interest; maturing May 2013; interest at 2.44% (LGC) | 103,814 | 406,949 |
| Building; due in monthly installments of \$1,833 plus interest; maturing June 2011; interest at 2.19% (LGC) | 22,000 | - |
| Improvements; due in monthly installments of \$54,220 plus interest; maturing April 2014; interest at 2.94% (LGC) | 934,814 | 1,559,322 |
| Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC) | - | 1,101,208 |
| Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC) | - | 5,685,000 |
| Equipment; due in monthly installments of \$6,525 plus interest; maturing May 2013; interest at 2.44% | 228,390 | - |
| Equipment; due in monthly installments of \$49,222 plus interest; June 2011; interest at 2.19% | 320,000 | 270,667 |
| Equipment; due in monthly installments of \$26,337; maturing May 2011; interest at 3.78% | - | 284,177 |
| Equipment; due in monthly installments of \$66,591; maturing November 2011; interest at 2.565% | 560,340 | 550,222 |
| Equipment; due in monthly installments of \$8,337; maturing October 2013; interest at 2.713% | 243,900 | - |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

| Long-Term Debt (Continued): | Serviced by | |
|--|------------------------------------|-------------------------------------|
| | Governmental Activities | Business-Type Activities |
| Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19% | 865,000 | - |
| Equipment; due in semi-annual installments of \$237,189; maturing January 2013; interest at 2.84%, after BAB rebate 1.85% | 840,000 | 515,000 |
| Total installment purchases | 12,068,881 | 13,958,946 |
| Other Long-Term Debt: | | |
| HUD - Section 108 Loan Guarantee - Douglas Block project | 2,389,661 | - |
| YMCA - Building purchase agreement | 900,000 | - |
| Other - NCDOT | 521,108 | - |
| Other - NCDENR (LGC) | - | 3,973,180 |
| Subtotal | 3,810,769 | 3,973,180 |
| Unfunded Special Separation Allowance | 700,025 | - |
| Other post-employment benefits | 2,710,852 | 859,212 |
| Total other long-term debt | 7,221,646 | 4,832,392 |
| Total outstanding | 19,290,527 | 18,791,338 |
| Less current portion | 2,666,358 | 3,127,125 |
| | \$ 16,624,169 | \$ 15,664,213 |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Long-term debt categorized as “Other - NCDOT” consists of various obligations due to the North Carolina Department of Transportation for reimbursement of road improvement and construction which are typically liquidated by the General Fund. Long-term debt categorized as “Other - NCDENR” in the business-type activities includes two sewer revolving loans and one water revolving loan financed through NCDENR.

| | |
|--|---------|
| Revolving loan due in annual payments of \$29,776 plus interest; maturing May 1, 2025; interest at 2.205% (LGC) | 446,646 |
|--|---------|

| | |
|---|-----------|
| Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC) | 3,369,903 |
|---|-----------|

| | | | |
|---|--|---------|--------------|
| Revolving loan due in annual payments of \$7,832; maturing May 1, 2030; interest at 0% (LGC) | <table style="margin-left: auto; margin-right: 0;"> <tr><td style="border-top: 1px solid black;">156,631</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,973,180</td></tr> </table> | 156,631 | \$ 3,973,180 |
| 156,631 | | | |
| \$ 3,973,180 | | | |

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, 2010:

| | <u>Balance</u> <u>July 1, 2009</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2010</u> | <u>Due Within</u> <u>One Year</u> |
|---------------------------------------|---------------------------------------|---------------------|---------------------|--|--------------------------------------|
| Governmental Activities: | | | | | |
| Installment purchases | \$ 13,366,200 | \$ 1,705,000 | \$ 3,002,319 | \$ 12,068,881 | \$ 2,293,035 |
| Unfunded Special Separation Allowance | 626,378 | 302,804 | 229,157 | 700,025 | - |
| HUD Loan | 1,305,000 | 1,084,661 | - | 2,389,661 | 145,000 |
| YMCA | 1,100,000 | - | 200,000 | 900,000 | 200,000 |
| Other | 17,000 | 521,108 | 17,000 | 521,108 | 28,323 |
| Other post-employment benefits | 1,914,464 | 796,388 | - | 2,710,852 | - |
| Compensated absences | 3,663,369 | 2,152,063 | 2,106,927 | 3,708,505 | 2,106,927 |
| Total | <u>\$ 21,992,411</u> | <u>\$ 6,562,024</u> | <u>\$ 5,555,403</u> | <u>\$ 22,999,032</u> | <u>\$ 4,773,285</u> |
| Business-Type Activities: | | | | | |
| General obligation bonds | \$ 1,769,470 | \$ - | \$ 1,769,470 | \$ - | \$ - |
| Installment purchases | 10,216,290 | 6,200,000 | 2,457,344 | 13,958,946 | 2,902,300 |
| Other | 4,033,542 | 156,631 | 216,993 | 3,973,180 | 224,825 |
| Other post-employment benefits | 609,548 | 249,664 | - | 859,212 | - |
| Compensated absences | 743,506 | 543,867 | 532,574 | 754,799 | 532,574 |
| Total | <u>\$ 17,372,356</u> | <u>\$ 7,150,162</u> | <u>\$ 4,976,381</u> | <u>\$ 19,546,137</u> | <u>\$ 3,659,699</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010, including interest, are as follows:

| | <u>Installment Purchases</u> | | <u>Other</u> | |
|----------------------------------|------------------------------|---------------------|---------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| Governmental Activities: | | | | |
| 2011 | \$ 2,293,035 | \$ 428,310 | \$ 373,323 | \$ - |
| 2012 | 1,770,353 | 359,795 | 351,785 | - |
| 2013 | 1,593,806 | 301,408 | 245,000 | - |
| 2014 | 1,147,238 | 247,909 | 407,000 | - |
| 2015 | 984,189 | 204,998 | 407,000 | - |
| 2016-2020 | 4,280,260 | 399,735 | 1,087,000 | |
| 2021-2025 | | | 725,000 | |
| 2026-2027 | - | - | 214,661 | - |
| Total governmental activities | <u>12,068,881</u> | <u>1,942,155</u> | <u>3,810,769</u> | <u>-</u> |
| Business-Type Activities: | | | | |
| 2011 | 2,902,300 | 496,822 | 224,825 | 87,525 |
| 2012 | 2,174,205 | 410,602 | 224,825 | 82,553 |
| 2013 | 2,049,794 | 338,642 | 224,825 | 77,581 |
| 2014 | 1,725,694 | 268,890 | 224,825 | 72,609 |
| 2015 | 1,437,722 | 208,889 | 224,825 | 67,637 |
| 2016-2020 | 3,669,231 | 480,391 | 1,124,125 | 263,606 |
| 2021-2025 | - | - | 1,124,125 | 139,308 |
| 2026-2030 | - | - | 600,805 | 25,892 |
| Total business-type activities | <u>13,958,946</u> | <u>2,204,236</u> | <u>3,973,180</u> | <u>816,711</u> |
| Total | <u>\$ 26,027,827</u> | <u>\$ 4,146,391</u> | <u>\$ 7,783,949</u> | <u>\$ 816,711</u> |

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt (exclusive of certain enterprise bonds) the City may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2010, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$310,380,618.

The City has a commitment for a total amount of \$2,800,000 for the HUD – Section 108 Loan Guarantee, but as of June 30, 2010 the amount in loan funds received was \$2,389,661.

The water revolving loan is not finalized and the total loan amount has the potential to be \$263,292, but the amount of loan proceeds drawn as of June 30, 2010 was \$156,631.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010, 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, 2010, are as follows:

| <u>Payable Fund</u> | <u>Receivable Fund</u> | <u>Receivable Fund</u> |
|---------------------|------------------------|------------------------|
| | <u>General</u> | <u>Gas</u> |
| Entitlement Grants | \$ 563,337 | \$ - |
| Water | - | 457,537 |
| Sewer | - | 457,537 |
| | <u>\$ 563,337</u> | <u>\$ 915,074</u> |

The amounts due to the General Fund from the nonmajor governmental funds represents \$563,337 cash advances to cover expenses in the special revenue fund. Amounts due to the Gas fund represent \$457,537 remaining in cash advances to cover expenses in both the Water and Sewer funds from the prior year.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Transfers To/From Other Funds

| <u>Transfer Out</u> | <u>Transfer In</u> | | | <u>Total</u> |
|-----------------------------|---------------------|------------------------------|-------------------------|---------------------|
| | <u>General Fund</u> | <u>Nonmajor Governmental</u> | <u>Enterprise Funds</u> | |
| General Fund | \$ - | \$ 586,455 | \$ 300,000 | \$ 886,455 |
| Nonmajor Governmental Funds | 200,000 | 233,527 | 9,220 | 442,747 |
| Electric Fund | 1,600,000 | - | - | 1,600,000 |
| Gas Fund | 1,250,000 | - | - | 1,250,000 |
| Sewer Fund | - | 12,912 | - | 12,912 |
| Water Fund | 250,000 | - | - | 250,000 |
| Total | <u>\$ 3,300,000</u> | <u>\$ 832,894</u> | <u>\$ 309,220</u> | <u>\$ 4,442,114</u> |

General Fund and nonmajor governmental fund transfers are used to move unrestricted fund revenues to support various programs that the government must account for in other funds in accordance with budgetary authorizations. The transfer between nonmajor governmental funds was to match grant funds for park improvements and train station improvements and to cover operating costs for the Imperial Centre.

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 nonmajor governmental funds to the enterprise fund (Electric) was a return of funds provided to cover costs for a transit study. 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, 2010.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

North Carolina Eastern Municipal Power Agency

On September 28, 1981, the City Council adopted an ordinance authorizing the City's participation in the North Carolina Eastern Municipal Power Agency (the "Agency") and, as such, is a part owner in several electrical generating plants operated by Carolina Power and Light Company ("CP&L").

Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set electrical utility rates at a level such that sufficient electrical revenues are generated to meet the obligations to the Agency. The Agency furnishes power to the City and the 31 other North Carolina municipalities participating in the Agency through its ownership of a portion of CP&L's generating capacity, together with additional purchases of power and energy as needed to meet the "all requirements" needs of the 32 municipalities. The City's share of the power and energy from the Initial Project is 16.026%. Under the terms of the agreement with the Agency, the City is obligated to pay such proportionate share of the Agency's Initial Project, whether the generators produce power or not. This is commonly referred to as a "take or pay" contract in the utility industry. This agreement expires on the later of (i) January 1, 2032, or (ii) the date upon which the last generating unit of the Initial Project is retired.

To finance its ownership interest in the Initial Project, the Agency issued bonds. At December 31, 2009, \$2,566,260,000 of the bonds were outstanding (plus unamortized premium of \$4,524,000). 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 \$95,712 to the Authority for operating purposes and capital outlay during the year ended June 30, 2010. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,540,326 (cost of \$12,643,792 less accumulated depreciation of \$5,103,466) has been reflected in the City's Statement of Net Assets as capital assets at June 30, 2010. The current year decrease in the

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

investment of \$98,796 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, 2010. 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, 2010, this payment totaled \$9,745.

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 \$9,719,929 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 \$637,156 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, 2010, 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

The City operated a coal gas manufacturing plant from the 1920's to 1950's. In general, manufactured gas plants (MGP) produced coal gas for lighting and heating from coal. Byproducts of this process including coal tar and oils were typically stored and disposed of on sight. This may have caused contamination of the subsurface area of the MGP. The City has had to implement a NC Department of Environmental and Natural Resources (NCDENR) approved remedial

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. As of June 30, 2010 a remedial investigation (RI) work plan was developed, and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis and direction on next steps. It is expected that NCDENR will approve the consultant's recommendation for a more in depth RI. Based upon the findings of the RI a remedial action plan (RAP) will be developed and submitted to NCDENR for approval. As of June 30, 2010 the City has paid \$82,815 in costs for remediation investigation.

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 \$716,670 for the year ended June 30, 2010.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Pledged Assets and Long-Term Debt

Long-term debt at December 31, 2009, 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, 2009, was \$6,499,000.

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, 2009, 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, 2010**

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets A | Actuarial Accrued Liability (AAL) - Projected Unit Credit | | Unfunded AAL (UAAL) B - A | Funded Ratio A / B | Covered Payroll C | UAAL as a Percentage Covered Payroll (B - A) / C |
|--------------------------|--------------------------------|---|--------------|------------------------------|-----------------------|----------------------|---|
| | | B | B - A | | | | |
| 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% |
| 12/31/09 | - | 3,835,812 | 3,835,812 | | 0.00% | 7,836,077 | 48.95% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed |
|-----------------------|---------------------------------------|-------------------------------|
| 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% |
| 2010 | 296,850 | 77.20% |

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 closed | |
| Remaining amortization period | 22 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, 2010**Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets A | Actuarial Accrued Liability (AAL) -Projected Unit Credit | | Unfunded AAL (UAAL) B - A | Funded Ratio A / B | Covered Payroll C | UAAL as a Percentage Covered Payroll (B - A) / C |
|--------------------------------|--------------------------------------|--|---------------|------------------------------------|--------------------------|-------------------------|--|
| | | B | B | | | | |
| 12/31/05 | \$ - | \$ 26,003,197 | \$ 26,003,197 | | 0.00% | \$ 31,877,912 | 81.6% |
| 12/31/06 | - | 25,079,116 | 25,079,116 | | 0.00% | 33,339,163 | 75.2% |
| 12/31/07 | - | 31,660,867 | 31,660,867 | | 0.00% | 32,250,543 | 98.2% |
| 12/31/08 | - | 37,133,950 | 37,133,950 | | 0.00% | 34,732,711 | 106.9% |
| 12/31/09 | - | 29,853,713 | 29,853,713 | | 0.00% | 41,748,252 | 71.5% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed |
|-----------------------|---|-------------------------------------|
| 2008 | 2,532,013 | 57.75% |
| 2009 | 2,926,108 | 50.30% |
| 2010 | 2,416,530 | 57.53% |

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 | 12/31/2009 | |
| 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 | 2017 | |

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, 2010**

| | 2010 | | |
|---|-------------------|-------------------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Revenues: | | | |
| Taxes: | | | |
| Ad Valorem Taxes: | | | |
| Current year | \$ 20,300,000 | \$ 20,747,302 | \$ 447,302 |
| Prior years | 425,000 | 416,733 | (8,267) |
| Penalties and interest | 190,000 | 180,918 | (9,082) |
| Total | <u>20,915,000</u> | <u>21,344,953</u> | <u>429,953</u> |
| Intergovernmental Revenues: | | | |
| Payment in lieu of taxes | 1,297,250 | 1,287,151 | (10,099) |
| Local option sales tax | 9,832,000 | 8,543,046 | (1,288,954) |
| Telecommunications tax | 1,000,000 | 912,148 | (87,852) |
| Franchise tax | 2,775,000 | 2,932,552 | 157,552 |
| Tax refunds | 30,000 | 31,613 | 1,613 |
| Beer and wine tax | 270,000 | 84,474 | (185,526) |
| ABC revenues | 65,000 | 50,551 | (14,449) |
| Court facilities fees | 171,500 | 163,961 | (7,539) |
| State grants | 2,559,100 | 1,627,873 | (931,227) |
| On behalf payments - fire | - | 18,220 | 18,220 |
| Other | 692,000 | 748,055 | 56,055 |
| Total | <u>18,691,850</u> | <u>16,399,644</u> | <u>(2,292,206)</u> |
| Licenses, Permits and Other Taxes: | | | |
| Privilege licenses | 100,000 | 138,747 | 38,747 |
| Buildings permits and inspection fees | 505,800 | 500,265 | (5,535) |
| Rental vehicle tax | 45,000 | 51,877 | 6,877 |
| Animal tax | 26,500 | 24,273 | (2,227) |
| Other | 234,200 | 233,254 | (946) |
| Total | <u>911,500</u> | <u>948,416</u> | <u>36,916</u> |
| Sales and Service: | | | |
| Solid waste and recycling charge | 3,505,000 | 3,249,171 | (255,829) |
| Reconnection charges | 305,000 | 273,811 | (31,189) |
| Weed control charges | 50,000 | 48,787 | (1,213) |
| Cemetery revenues | 160,000 | 125,578 | (34,422) |
| Sale of fixed assets | 125,000 | 534,870 | 409,870 |
| Recreation department fee | 658,500 | 717,972 | 59,472 |
| Traffic maintenance charges | 15,000 | 11,538 | (3,462) |
| Transfer station charges | 2,250,000 | 2,135,727 | (114,273) |
| Concessions | 150,000 | 157,343 | 7,343 |
| Other | 513,500 | 425,734 | (87,766) |
| Total | <u>7,732,000</u> | <u>7,680,531</u> | <u>(51,469)</u> |
| Investment Earnings | <u>405,000</u> | <u>117,818</u> | <u>(287,182)</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, 2010**

| | 2010 | | |
|--------------------------------|-----------------------|-----------------------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Miscellaneous: | | | |
| Insurance | 15,600 | 16,401 | 801 |
| Demolition assessment | 46,000 | 64,227 | 18,227 |
| Excess utility tax | 430,000 | 370,699 | (59,301) |
| Rents | 175,900 | 283,768 | 107,868 |
| Contributions | 130,520 | 180,860 | 50,340 |
| Parking | 11,100 | 3,756 | (7,344) |
| Other | 90,200 | 56,973 | (33,227) |
| Total | <u>899,320</u> | <u>976,684</u> | <u>77,364</u> |
| Total revenues | <u>49,554,670</u> | <u>47,468,046</u> | <u>(2,086,624)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Mayor and City Council: | | | |
| Salaries | 66,081 | 66,080 | 1 |
| Employee benefits | 47,259 | 45,322 | 1,937 |
| Operating expenses | 1,446,417 | 1,065,821 | 380,596 |
| Utility service fee | (281,400) | (281,400) | - |
| Total | <u>1,278,357</u> | <u>895,823</u> | <u>382,534</u> |
| City Clerk: | | | |
| Salaries | 185,030 | 183,877 | 1,153 |
| Employee benefits | 45,500 | 44,747 | 753 |
| Operating expenses | 35,000 | 32,168 | 2,832 |
| Utility service fee | (30,800) | (30,800) | - |
| Total | <u>234,730</u> | <u>229,992</u> | <u>4,738</u> |
| Community Services: | | | |
| Operating expenses | 804,010 | 803,882 | 128 |
| Utility service fee | (314,500) | (314,500) | - |
| Total | <u>489,510</u> | <u>489,382</u> | <u>128</u> |
| City Manager: | | | |
| Salaries | 627,450 | 624,089 | 3,361 |
| Employee benefits | 146,870 | 142,490 | 4,380 |
| Operating expenses | 74,300 | 72,568 | 1,732 |
| Utility service fee | (243,900) | (243,900) | - |
| Total | <u>604,720</u> | <u>595,247</u> | <u>9,473</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, 2010**

| | 2010 | | |
|------------------------------|-------------------------|----------------|---|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Public Affairs: | | | |
| Salaries | 121,070 | 117,289 | 3,781 |
| Employee benefits | 34,200 | 33,625 | 575 |
| Operating expenses | 19,300 | 12,303 | 6,997 |
| Capital outlay | 10,000 | 5,091 | 4,909 |
| Utility service fee | (63,300) | (63,300) | - |
| Total | <u>121,270</u> | <u>105,008</u> | <u>16,262</u> |
| Downtown Development: | | | |
| Salaries | 79,500 | 78,488 | 1,012 |
| Employee benefits | 18,140 | 17,937 | 203 |
| Operating expenses | 73,150 | 55,900 | 17,250 |
| Utility service fee | (38,800) | (38,800) | - |
| Total | <u>131,990</u> | <u>113,525</u> | <u>18,465</u> |
| Finance: | | | |
| Administration: | | | |
| Salaries | 193,960 | 192,602 | 1,358 |
| Employee benefits | 49,620 | 49,248 | 372 |
| Operating expenses | 759,881 | 718,724 | 41,157 |
| Utility service fee | (990,400) | (960,574) | (29,826) |
| Total | <u>13,061</u> | <u>-</u> | <u>13,061</u> |
| Accounting: | | | |
| Salaries | 427,670 | 427,557 | 113 |
| Employee benefits | 105,870 | 105,368 | 502 |
| Operating expenses | 45,110 | 35,420 | 9,690 |
| Utility service fee | (488,600) | (488,600) | - |
| Total | <u>90,050</u> | <u>79,745</u> | <u>10,305</u> |
| Purchasing: | | | |
| Salaries | 340,660 | 339,546 | 1,114 |
| Employee benefits | 92,420 | 91,952 | 468 |
| Operating expenses | 47,430 | 45,787 | 1,643 |
| Utility service fee | (407,300) | (407,300) | - |
| Total | <u>73,210</u> | <u>69,985</u> | <u>3,225</u> |
| Utility Billing: | | | |
| Salaries | 1,951,690 | 1,712,945 | 238,745 |
| Employee benefits | 483,180 | 458,943 | 24,237 |
| Operating expenses | 451,630 | 412,547 | 39,083 |
| Capital outlay | 16,000 | - | 16,000 |
| Utility service fee | (2,732,500) | (2,584,435) | (148,065) |
| Total | <u>170,000</u> | <u>-</u> | <u>170,000</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, 2010**

| | 2010 | | |
|----------------------------------|------------------|----------------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Information Systems: | | | |
| Salaries | 549,080 | 546,611 | 2,469 |
| Employee benefits | 126,170 | 125,114 | 1,056 |
| Operating expenses | 633,600 | 491,627 | 141,973 |
| Capital outlay | 371,000 | 355,254 | 15,746 |
| Utility service fee | (1,480,600) | (1,480,600) | - |
| Total | <u>199,250</u> | <u>38,006</u> | <u>161,244</u> |
| Total finance | <u>545,571</u> | <u>187,736</u> | <u>357,835</u> |
| Central Services: | | | |
| Municipal Building: | | | |
| Salaries | 305,050 | 304,140 | 910 |
| Employee benefits | 87,110 | 86,389 | 721 |
| Operating expenses | 638,600 | 585,447 | 53,153 |
| Capital outlay | 172,800 | 169,628 | 3,172 |
| Utility service fee | (553,300) | (553,300) | - |
| Total | <u>650,260</u> | <u>592,304</u> | <u>57,956</u> |
| Print Shop: | | | |
| Operating expenses | 211,000 | 190,761 | 20,239 |
| Utility service fee | (105,500) | (105,500) | - |
| Total | <u>105,500</u> | <u>85,261</u> | <u>20,239</u> |
| Judicial Center: | | | |
| Salaries | 123,280 | 122,733 | 547 |
| Employee benefits | 32,660 | 32,336 | 324 |
| Operating expenses | 113,000 | 98,444 | 14,556 |
| Capital outlay | 5,600 | - | 5,600 |
| Total | <u>274,540</u> | <u>253,513</u> | <u>21,027</u> |
| Total central services | <u>1,030,300</u> | <u>931,078</u> | <u>99,222</u> |
| Planning and Development: | | | |
| Planning Administration: | | | |
| Salaries | 435,700 | 434,786 | 914 |
| Employee benefits | 112,860 | 112,259 | 601 |
| Operating expenses | 32,140 | 29,264 | 2,876 |
| Total | <u>580,700</u> | <u>576,309</u> | <u>4,391</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, 2010

| | 2010 | | |
|---------------------------------|-----------------|-----------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Inspections: | | | |
| Salaries | 518,590 | 516,946 | 1,644 |
| Employee benefits | 130,980 | 129,928 | 1,052 |
| Operating expenses | 56,400 | 51,479 | 4,921 |
| Total | 705,970 | 698,353 | 7,617 |
| CDBG Entitlement Grant: | | | |
| Salaries | 258,660 | 258,616 | 44 |
| Employee benefits | 57,070 | 56,009 | 1,061 |
| Operating expenses | 6,990 | 5,488 | 1,502 |
| Total | 322,720 | 320,113 | 2,607 |
| Total planning and development | 1,609,390 | 1,594,775 | 14,615 |
| Human Resources: | | | |
| Salaries | 561,370 | 560,074 | 1,296 |
| Employee benefits | 735,129 | 721,484 | 13,645 |
| Operating expenses | 109,790 | 83,568 | 26,222 |
| Capital outlay | 500 | 139 | 361 |
| Utility service fee | (612,900) | (612,900) | - |
| Total human resources | 793,889 | 752,365 | 41,524 |
| Human Relations: | | | |
| Salaries | 263,280 | 261,125 | 2,155 |
| Employee benefits | 64,330 | 63,804 | 526 |
| Operating expenses | 27,260 | 24,782 | 2,478 |
| Utility service fee | (88,600) | (88,600) | - |
| Total human relations | 266,270 | 261,111 | 5,159 |
| Total general government | 7,105,997 | 6,156,042 | 949,955 |
| Public Safety: | | | |
| Police: | | | |
| Administration: | | | |
| Salaries | 493,710 | 487,031 | 6,679 |
| Employee benefits | 79,380 | 73,888 | 5,492 |
| Operating expenses | 127,200 | 109,665 | 17,535 |
| Total | 700,290 | 670,584 | 29,706 |
| Administrative Services: | | | |
| Salaries | 1,388,650 | 1,386,913 | 1,737 |
| Employee benefits | 351,200 | 349,354 | 1,846 |
| Operating expenses | 170,850 | 162,971 | 7,879 |
| Capital outlay | 45,000 | 44,935 | 65 |
| Total | 1,955,700 | 1,944,173 | 11,527 |

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, 2010**

| | 2010 | | |
|--------------------------------|-------------------------|-------------------|---|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Staff Services: | | | |
| Salaries | 1,789,780 | 1,775,598 | 14,182 |
| Employee benefits | 489,340 | 486,471 | 2,869 |
| Operating expenses | 415,350 | 414,855 | 495 |
| Capital outlay | 20,000 | 19,005 | 995 |
| Total | <u>2,714,470</u> | <u>2,695,929</u> | <u>18,541</u> |
| Field Operations: | | | |
| Salaries | 4,787,800 | 4,781,217 | 6,583 |
| Employee benefits | 1,587,820 | 1,489,608 | 98,212 |
| Operating expenses | 468,229 | 465,931 | 2,298 |
| Capital outlay | 307,495 | 307,456 | 39 |
| Total | <u>7,151,344</u> | <u>7,044,212</u> | <u>107,132</u> |
| Investigative Services: | | | |
| Salaries | 958,700 | 951,952 | 6,748 |
| Employee benefits | 260,400 | 252,958 | 7,442 |
| Operating expenses | 71,130 | 66,501 | 4,629 |
| Capital outlay | 61,070 | 61,070 | - |
| Total | <u>1,351,300</u> | <u>1,332,481</u> | <u>18,819</u> |
| Total police | <u>13,873,104</u> | <u>13,687,379</u> | <u>185,725</u> |
| Fire: | | | |
| Administration: | | | |
| Salaries | 316,910 | 316,798 | 112 |
| Employee benefits | 112,406 | 111,899 | 507 |
| Operating expenses | 369,450 | 366,877 | 2,573 |
| Capital outlay | 39,785 | 39,772 | 13 |
| Total | <u>838,551</u> | <u>835,346</u> | <u>3,205</u> |
| Operations: | | | |
| Salaries | 6,490,450 | 6,490,258 | 192 |
| Employee benefits | 1,673,130 | 1,672,749 | 381 |
| Operating expenses | 515,264 | 511,686 | 3,578 |
| Capital outlay | 115,080 | 93,748 | 21,332 |
| Total | <u>8,793,924</u> | <u>8,768,441</u> | <u>25,483</u> |
| Prevention: | | | |
| Salaries | 340,590 | 340,523 | 67 |
| Employee benefits | 80,760 | 80,428 | 332 |
| Operating expenses | 24,197 | 19,340 | 4,857 |
| Capital outlay | 33,453 | 24,690 | 8,763 |
| Total | <u>479,000</u> | <u>464,981</u> | <u>14,019</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, 2010**

| | 2010 | | |
|------------------------------------|-------------------|-------------------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Training: | | | |
| Salaries | 259,770 | 258,964 | 806 |
| Employee benefits | 59,580 | 59,291 | 289 |
| Operating expenses | 28,320 | 24,769 | 3,551 |
| Capital outlay | 10,000 | - | 10,000 |
| Total | <u>357,670</u> | <u>343,024</u> | <u>14,646</u> |
| Total fire | <u>10,469,145</u> | <u>10,411,792</u> | <u>57,353</u> |
| Total public safety | <u>24,342,249</u> | <u>24,099,171</u> | <u>243,078</u> |
| Public Works: | | | |
| Administration: | | | |
| Salaries | 125,960 | 125,120 | 840 |
| Employee benefits | 30,810 | 30,779 | 31 |
| Operating expenses | 38,500 | 38,352 | 148 |
| Total | <u>195,270</u> | <u>194,251</u> | <u>1,019</u> |
| Street and Row Maintenance: | | | |
| Salaries | 737,090 | 737,020 | 70 |
| Employee benefits | 225,590 | 225,203 | 387 |
| Operating expenses | 1,246,220 | 1,234,624 | 11,596 |
| Capital outlay | 214,400 | 127,758 | 86,642 |
| Service charges | (467,000) | (511,792) | 44,792 |
| Total | <u>1,956,300</u> | <u>1,812,813</u> | <u>143,487</u> |
| Housing Code Enforcement: | | | |
| Salaries | 445,670 | 445,566 | 104 |
| Employee benefits | 120,810 | 117,089 | 3,721 |
| Operating expenses | 346,090 | 270,968 | 75,122 |
| Capital outlay | 15,300 | 15,293 | 7 |
| Total | <u>927,870</u> | <u>848,916</u> | <u>78,954</u> |
| Environmental Service: | | | |
| Salaries | 1,819,660 | 1,818,601 | 1,059 |
| Employee benefits | 510,640 | 509,980 | 660 |
| Operating expenses | 3,709,390 | 3,448,119 | 261,271 |
| Capital outlay | 2,190,975 | 269,762 | 1,921,213 |
| Total | <u>8,230,665</u> | <u>6,046,462</u> | <u>2,184,203</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, 2010

| | 2010 | | |
|------------------------------|-----------------|-------------|---------------------------------|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Fleet Maintenance: | | | |
| Salaries | 869,640 | 868,895 | 745 |
| Employee benefits | 231,810 | 230,366 | 1,444 |
| Operating expenses | 2,230,100 | 2,142,710 | 87,390 |
| Capital outlay | 70,000 | 24,990 | 45,010 |
| Service charges | (2,960,700) | (3,042,087) | 81,387 |
| Total | 440,850 | 224,874 | 215,976 |
| | | | |
| Total public works | 11,750,955 | 9,127,316 | 2,623,639 |
| | | | |
| Engineering: | | | |
| Administration: | | | |
| Salaries | 684,930 | 684,117 | 813 |
| Employee benefits | 171,550 | 168,859 | 2,691 |
| Operating expenses | 72,950 | 65,548 | 7,402 |
| Utility service fee | (506,800) | (506,800) | - |
| Total | 422,630 | 411,724 | 10,906 |
| | | | |
| Traffic: | | | |
| Salaries | 408,880 | 395,508 | 13,372 |
| Employee benefits | 133,060 | 131,593 | 1,467 |
| Operating expenses | 489,800 | 449,049 | 40,751 |
| Capital outlay | 32,500 | 31,265 | 1,235 |
| Utility service fee | (435,300) | (435,300) | - |
| Total | 628,940 | 572,115 | 56,825 |
| | | | |
| Total engineering | 1,051,570 | 983,839 | 67,731 |
| | | | |
| Parks and Recreation: | | | |
| Administration: | | | |
| Salaries | 227,740 | 226,244 | 1,496 |
| Employee benefits | 66,030 | 65,430 | 600 |
| Operating expenses | 90,970 | 90,357 | 613 |
| Total | 384,740 | 382,031 | 2,709 |
| | | | |
| Athletics: | | | |
| Salaries | 328,180 | 327,796 | 384 |
| Employee benefits | 68,430 | 67,647 | 783 |
| Operating expenses | 96,588 | 95,267 | 1,321 |
| Total | 493,198 | 490,710 | 2,488 |
| | | | |
| Cultural Arts: | | | |
| Salaries | 413,910 | 413,775 | 135 |
| Employee benefits | 87,430 | 86,665 | 765 |
| Operating expenses | 191,221 | 138,766 | 52,455 |
| Capital outlay | 2,700 | 2,654 | 46 |
| Total | 695,261 | 641,860 | 53,401 |

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, 2010**

| | 2010 | | |
|---------------------------------------|-------------------------|------------------|---|
| | Final Budget | Actual | Variance Positive/(Negative) |
| Amusements and Special Events: | | | |
| Salaries | 53,440 | 53,108 | 332 |
| Employee benefits | 16,170 | 15,948 | 222 |
| Operating expenses | 134,711 | 120,350 | 14,361 |
| Capital outlay | 22,000 | 21,495 | 505 |
| Total | <u>226,321</u> | <u>210,901</u> | <u>15,420</u> |
| Museum: | | | |
| Salaries | 322,840 | 322,052 | 788 |
| Employee benefits | 68,650 | 68,003 | 647 |
| Operating expenses | 90,220 | 87,212 | 3,008 |
| Total | <u>481,710</u> | <u>477,267</u> | <u>4,443</u> |
| Parks Maintenance: | | | |
| Salaries | 894,550 | 894,474 | 76 |
| Employee benefits | 263,000 | 262,820 | 180 |
| Operating expenses | 604,915 | 604,759 | 156 |
| Capital outlay | 38,540 | 38,097 | 443 |
| Total | <u>1,801,005</u> | <u>1,800,150</u> | <u>855</u> |
| Cemetery Operations: | | | |
| Salaries | 276,180 | 275,990 | 190 |
| Employee benefits | 82,940 | 82,925 | 15 |
| Operating expenses | 57,212 | 57,073 | 139 |
| Capital outlay | 20,888 | 20,888 | - |
| Total | <u>437,220</u> | <u>436,876</u> | <u>344</u> |
| Outdoor Programs: | | | |
| Salaries | 166,670 | 166,608 | 62 |
| Employee benefits | 24,730 | 24,706 | 24 |
| Operating expenses | 48,061 | 47,903 | 158 |
| Total | <u>239,461</u> | <u>239,217</u> | <u>244</u> |
| Neighborhood Programs: | | | |
| Salaries | 447,990 | 447,160 | 830 |
| Employee benefits | 74,320 | 73,669 | 651 |
| Operating expenses | 127,198 | 126,565 | 633 |
| Total | <u>649,508</u> | <u>647,394</u> | <u>2,114</u> |
| Senior Programs: | | | |
| Salaries | 205,610 | 204,065 | 1,545 |
| Employee benefits | 44,540 | 43,117 | 1,423 |
| Operating expenses | 171,150 | 169,312 | 1,838 |
| Capital outlay | 16,869 | 16,869 | - |
| Total | <u>438,169</u> | <u>433,363</u> | <u>4,806</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, 2010**

| | 2010 | | |
|--|-------------------------|----------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
| Sports Complex: | | | |
| Salaries | 118,790 | 117,179 | 1,611 |
| Employee benefits | 17,440 | 16,875 | 565 |
| Operating expenses | 239,555 | 220,964 | 18,591 |
| Capital outlay | 65,830 | 65,830 | - |
| Total | <u>441,615</u> | <u>420,848</u> | <u>20,767</u> |
| Imperial Centre: | | | |
| Salaries | 64,030 | 64,013 | 17 |
| Employee benefits | 12,200 | 12,104 | 96 |
| Operating expenses | 1,344,895 | 1,343,629 | 1,266 |
| Total | <u>1,421,125</u> | <u>1,419,746</u> | <u>1,379</u> |
| Total parks and recreation | <u>7,709,333</u> | <u>7,600,363</u> | <u>108,970</u> |
| Public Service: | | | |
| Capital outlay | 4,309,308 | 1,388,166 | 2,921,142 |
| Debt service expenditures | 3,072,560 | 3,071,310 | 1,250 |
| Total expenditures | <u>59,341,972</u> | <u>52,426,207</u> | <u>6,915,765</u> |
| Revenues over (under) expenditures | <u>(9,787,302)</u> | <u>(4,958,161)</u> | <u>4,829,141</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 3,300,000 | 3,300,000 | - |
| Transfers to other funds | (1,162,304) | (886,455) | 275,849 |
| Installment purchase financing issued | 1,575,000 | 840,000 | (735,000) |
| Total other financing sources (uses): | <u>3,712,696</u> | <u>3,253,545</u> | <u>(459,151)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>(6,074,606)</u> | <u>(1,704,616)</u> | <u>4,369,990</u> |
| Fund balance appropriated | <u>6,074,606</u> | <u>-</u> | <u>(6,074,606)</u> |
| Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(1,704,616)</u> | <u>\$ (1,704,616)</u> |
| Fund Balance: | | | |
| Beginning of year, July 1 | | <u>23,868,667</u> | |
| End of year, June 30 | | <u>\$ 22,164,051</u> | |

NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

| | <u>Special Revenue Funds</u> | <u>Capital Project Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|----------------------------------|----------------------------------|--|
| Assets: | | | |
| Cash and cash equivalents/investments | \$ 1,606,373 | \$ 551,958 | \$ 2,158,331 |
| Receivables - net: | | | |
| Ad valorem taxes | - | 9,780 | 9,780 |
| Other governmental agencies | 973,232 | 611,631 | 1,584,863 |
| Other | 489,755 | - | 489,755 |
| Restricted cash and investments | - | 1,204,151 | 1,204,151 |
| Total assets | <u>\$ 3,069,360</u> | <u>\$ 2,377,520</u> | <u>\$ 5,446,880</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenditures | \$ 106,266 | \$ 545,257 | \$ 651,523 |
| Deferred revenue | - | 154,780 | 154,780 |
| Deposits | 25,500 | - | 25,500 |
| Due to other funds | 563,337 | - | 563,337 |
| Total liabilities | <u>695,103</u> | <u>700,037</u> | <u>1,395,140</u> |
| Fund Balances: | | | |
| Reserved for: | | | |
| State statute | 63,404 | 142 | 63,546 |
| Unreserved: | | | |
| Undesignated | 2,310,853 | 1,677,341 | 3,988,194 |
| Total fund balances | <u>2,374,257</u> | <u>1,677,483</u> | <u>4,051,740</u> |
| Total liabilities and fund balances | <u>\$ 3,069,360</u> | <u>\$ 2,377,520</u> | <u>\$ 5,446,880</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, 2010**

| | <u>Special Revenue Funds</u> | <u>Capital Project Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|----------------------------------|----------------------------------|--|
| Revenues: | | | |
| Taxes | \$ - | \$ 70,912 | \$ 70,912 |
| Intergovernmental | 6,064,339 | 1,344,811 | 7,409,150 |
| Project | 2,453,369 | 250,000 | 2,703,369 |
| Investment earnings | 2,444 | 1,749 | 4,193 |
| Miscellaneous | 7,723 | 3,097,417 | 3,105,140 |
| Total revenues | <u>8,527,875</u> | <u>4,764,889</u> | <u>13,292,764</u> |
| Expenditures: | | | |
| General government | - | 56,045 | 56,045 |
| Public safety | 726,464 | 558,465 | 1,284,929 |
| Parks and recreation | 33,892 | 675,657 | 709,549 |
| Public service | 3,798,205 | 6,418,173 | 10,216,378 |
| Community revitalization | 3,573,194 | 12,485 | 3,585,679 |
| Debt service | - | 575,093 | 575,093 |
| Total expenditures | <u>8,131,755</u> | <u>8,295,918</u> | <u>16,427,673</u> |
| Revenues over (under) expenditures | <u>396,120</u> | <u>(3,531,029)</u> | <u>(3,134,909)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (309,220) | (133,527) | (442,747) |
| Transfers from other funds | 349,367 | 483,527 | 832,894 |
| Debt financing issued | - | 1,084,661 | 1,084,661 |
| Installment purchase financing issued | - | 865,000 | 865,000 |
| Total other financing sources (uses) | <u>40,147</u> | <u>2,299,661</u> | <u>2,339,808</u> |
| Net change in fund balances | 436,267 | (1,231,368) | (795,101) |
| Fund Balances: | | | |
| Beginning of year, July 1 | <u>1,937,990</u> | <u>2,908,851</u> | <u>4,846,841</u> |
| End of year, June 30 | <u>\$ 2,374,257</u> | <u>\$ 1,677,483</u> | <u>\$ 4,051,740</u> |

NON MAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

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

Entitlement Grants Fund

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

Crime/Safety Control Fund

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

Economic Development Fund

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

Emergency Telephone System Fund

This fund was established to account for 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, 2010**

| | Public Transportation Grants | Entitlement Grants | Crime/ Safety Control |
|---|---|-------------------------------|--------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets: | | | |
| Cash and cash equivalents/investments | \$ 596,354 | \$ - | \$ 102,813 |
| Receivables - net: | | | |
| Other governmental agencies | 171,106 | 752,071 | 50,055 |
| Other | <u>390,917</u> | <u>2,356</u> | <u>-</u> |
| Total assets | <u>\$ 1,158,377</u> | <u>\$ 754,427</u> | <u>\$ 152,868</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenditures | \$ 74,140 | \$ 8,573 | \$ 23,553 |
| Deposits | - | 25,500 | - |
| Due to other funds | <u>-</u> | <u>563,337</u> | <u>-</u> |
| Total liabilities | <u>74,140</u> | <u>597,410</u> | <u>23,553</u> |
| Fund Balance: | | | |
| Reserved for: | | | |
| State statute | - | - | - |
| Unreserved: | | | |
| Undesignated | <u>1,084,237</u> | <u>157,017</u> | <u>129,315</u> |
| Total fund balance (deficit) | <u>1,084,237</u> | <u>157,017</u> | <u>129,315</u> |
| Total liabilities and fund balance | <u>\$ 1,158,377</u> | <u>\$ 754,427</u> | <u>\$ 152,868</u> |

Schedule D-1

| <u>Economic Development</u> | <u>Emergency Telephone System</u> | <u>Occupancy Tax</u> | <u>Total</u> |
|---------------------------------|---|--------------------------|---------------------|
| \$ 73,150 | \$ 267,334 | \$ 566,722 | \$ 1,606,373 |
| - | - | - | 973,232 |
| <u>33,078</u> | <u>33,249</u> | <u>30,155</u> | <u>489,755</u> |
| <u>\$ 106,228</u> | <u>\$ 300,583</u> | <u>\$ 596,877</u> | <u>\$ 3,069,360</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ 106,266 |
| - | - | - | 25,500 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>563,337</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>695,103</u> |
| | | | |
| - | 33,249 | 30,155 | 63,404 |
| <u>106,228</u> | <u>267,334</u> | <u>566,722</u> | <u>2,310,853</u> |
| <u>106,228</u> | <u>300,583</u> | <u>596,877</u> | <u>2,374,257</u> |
| <u>\$ 106,228</u> | <u>\$ 300,583</u> | <u>\$ 596,877</u> | <u>\$ 3,069,360</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, 2010**

| | Public Transportation Grants | Entitlement Grants | Crime/ Safety Control |
|--|---|-------------------------------|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 1,518,947 | \$ 3,276,761 | \$ 831,349 |
| Project | 1,995,609 | 58,778 | - |
| Investment earnings | - | (98) | 126 |
| Miscellaneous | 5,999 | - | 1,724 |
| Total revenues | <u>3,520,555</u> | <u>3,335,441</u> | <u>833,199</u> |
| Expenditures: | | | |
| Parks and recreation | - | - | 33,892 |
| Public safety | - | - | 726,464 |
| Public service | 3,276,466 | - | - |
| Community revitalization | - | 3,530,588 | - |
| Total expenditures | <u>3,276,466</u> | <u>3,530,588</u> | <u>760,356</u> |
| Revenues over (under) expenditures | <u>244,089</u> | <u>(195,147)</u> | <u>72,843</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (9,220) | - | - |
| Transfers from other funds | 212,982 | 103,770 | 19,703 |
| Total other financing sources (uses) | <u>203,762</u> | <u>103,770</u> | <u>19,703</u> |
| Net change in fund balances | 447,851 | (91,377) | 92,546 |
| Fund Balance: | | | |
| Beginning of year, July 1 | <u>636,386</u> | <u>248,394</u> | <u>36,769</u> |
| End of year , June 30 | <u>\$ 1,084,237</u> | <u>\$ 157,017</u> | <u>\$ 129,315</u> |

Schedule D-2

| Economic Development | Emergency Telephone System | Occupancy Tax | Total |
|---------------------------------|---|--------------------------|---------------------|
| \$ 25,500 | \$ - | \$ 411,782 | \$ 6,064,339 |
| - | 398,982 | - | 2,453,369 |
| - | 1,073 | 1,343 | 2,444 |
| - | - | - | 7,723 |
| <u>25,500</u> | <u>400,055</u> | <u>413,125</u> | <u>8,527,875</u> |
| | | | 33,892 |
| - | - | - | 726,464 |
| - | 521,739 | - | 3,798,205 |
| <u>42,606</u> | <u>-</u> | <u>-</u> | <u>3,573,194</u> |
| <u>42,606</u> | <u>521,739</u> | <u>-</u> | <u>8,131,755</u> |
| <u>(17,106)</u> | <u>(121,684)</u> | <u>413,125</u> | <u>396,120</u> |
| - | - | (300,000) | (309,220) |
| <u>12,912</u> | <u>-</u> | <u>-</u> | <u>349,367</u> |
| <u>12,912</u> | <u>-</u> | <u>(300,000)</u> | <u>40,147</u> |
| (4,194) | (121,684) | 113,125 | 436,267 |
| <u>110,422</u> | <u>422,267</u> | <u>483,752</u> | <u>1,937,990</u> |
| <u>\$ 106,228</u> | <u>\$ 300,583</u> | <u>\$ 596,877</u> | <u>\$ 2,374,257</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, 2010

| | Project Authorization | Actual | | Total |
|--|--------------------------|-------------------|---------------------|---------------------|
| | | Prior Years | Current Year | |
| Revenues: | | | | |
| Intergovernmental | \$ 4,989,489 | \$ 2,192,977 | 1,518,947 | \$ 3,711,924 |
| Project revenues | 1,400,500 | 10,443 | 1,995,609 | 2,006,052 |
| Miscellaneous | 33,100 | 19,116 | 5,999 | 25,115 |
| Total revenues | <u>6,423,089</u> | <u>2,222,536</u> | <u>3,520,555</u> | <u>5,743,091</u> |
| Expenditures: | | | | |
| Public Service: | | | | |
| Operating | 5,991,589 | 2,361,932 | 3,090,023 | 5,451,955 |
| Capital outlay | 1,001,564 | 135,781 | 186,443 | 322,224 |
| Total expenditures | <u>6,993,153</u> | <u>2,497,713</u> | <u>3,276,466</u> | <u>5,774,179</u> |
| Revenues over (under) expenditures | <u>(570,064)</u> | <u>(275,177)</u> | <u>244,089</u> | <u>(31,088)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | 580,064 | 351,729 | 212,982 | 564,711 |
| Transfers to other funds | (10,000) | - | (9,220) | (9,220) |
| Total other financing sources (uses) | <u>570,064</u> | <u>351,729</u> | <u>203,762</u> | <u>555,491</u> |
| Adjustment for closed projects | - | 559,834 | | 559,834 |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 636,386</u> | 447,851 | <u>\$ 1,084,237</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | 636,386 | |
| End of year, June 30 | | | <u>\$ 1,084,237</u> | |

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

| | |
|------------------------------------|--------------------|
| Revenues: | |
| Intergovernmental | \$ 1,086,637 |
| Project revenues | 1,573,297 |
| Miscellaneous | 11,144 |
| Total Revenues | <u>2,671,078</u> |
| Expenditures: | |
| Operating | 2,405,129 |
| Capital outlay | 303,512 |
| Expenditures: | <u>2,708,641</u> |
| Revenues over (under) expenditures | <u>\$ (37,563)</u> |
| Transfers from other funds | 181,016 |
| Adjustment to Fund Balance | <u>\$ 143,453</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, 2010

| | Project Authorization | Actual | | |
|--|--------------------------|-------------------|-------------------|-------------------|
| | | Prior Years | Current Year | Total |
| Revenues: | | | | |
| Intergovernmental | \$ 14,813,119 | \$ 6,540,165 | 3,276,761 | \$ 9,816,926 |
| Project revenues | 1,141,314 | 1,239,957 | 58,778 | 1,298,735 |
| Investment earnings | - | 9,953 | (98) | 9,855 |
| Miscellaneous | - | 12,567 | - | 12,567 |
| Total revenues | <u>15,954,433</u> | <u>7,802,642</u> | <u>3,335,441</u> | <u>11,138,083</u> |
| Expenditures: | | | | |
| Community revitalization program: | | | | |
| Operating | 16,144,045 | 7,888,860 | 3,530,588 | 11,419,448 |
| Capital outlay | <u>296,679</u> | <u>11,678</u> | <u>-</u> | <u>11,678</u> |
| Total expenditures | <u>16,440,724</u> | <u>7,900,538</u> | <u>3,530,588</u> | <u>11,431,126</u> |
| Revenues over (under) expenditures | <u>(486,291)</u> | <u>(97,896)</u> | <u>(195,147)</u> | <u>(293,043)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | <u>486,291</u> | <u>346,290</u> | <u>103,770</u> | <u>450,060</u> |
| Total other financing sources (uses) | <u>486,291</u> | <u>346,290</u> | <u>103,770</u> | <u>450,060</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 248,394</u> | <u>(91,377)</u> | <u>\$ 157,017</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>248,394</u> | |
| End of year, June 30 | | | <u>\$ 157,017</u> | |

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

| | |
|------------------------------------|------------------|
| Revenues: | |
| Intergovernmental | \$ 1,989,373 |
| Miscellaneous | <u>252</u> |
| Total revenues | <u>1,989,625</u> |
| Expenditures: | |
| Operating | 2,013,594 |
| Capital outlay | <u>10,000</u> |
| Expenditures: | <u>2,023,594</u> |
| Revenues over (under) expenditures | \$ (33,969) |
| Transfers from other funds | <u>33,969</u> |
| Transfers to other funds | <u>-</u> |
| | <u>\$ -</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - CRIME/SAFETY CONTROL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

| | Project Authorization | Actual | | Total |
|---|--------------------------|------------------|-------------------|-------------------|
| | | Prior Years | Current Year | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,951,330 | \$ 247,714 | \$ 831,349 | \$ 1,079,063 |
| Investment earnings | 3,138 | 5,761 | 126 | 5,887 |
| Miscellaneous | <u>5,657</u> | <u>-</u> | <u>1,724</u> | <u>1,724</u> |
| Total revenues | <u>1,960,125</u> | <u>253,475</u> | <u>833,199</u> | <u>1,086,674</u> |
| Expenditures: | | | | |
| Public Safety: | | | | |
| Operating | 1,322,693 | 109,004 | 392,990 | 501,994 |
| Capital outlay | 583,859 | 100,717 | 333,474 | 434,191 |
| Parks and Recreation: | | | | |
| Operating | <u>95,396</u> | <u>12,107</u> | <u>33,892</u> | <u>45,999</u> |
| Total expenditures | <u>2,001,948</u> | <u>221,828</u> | <u>760,356</u> | <u>982,184</u> |
| Revenues over (under) expenditures | <u>(41,823)</u> | <u>31,647</u> | <u>72,843</u> | <u>104,490</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | <u>41,823</u> | <u>5,122</u> | <u>19,703</u> | <u>24,825</u> |
| Revenues and other financing sources over (under) expenditures | <u>\$ -</u> | <u>\$ 36,769</u> | <u>92,546</u> | <u>\$ 129,315</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>36,769</u> | |
| End of year, June 30 | | | <u>\$ 129,315</u> | |

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

| | |
|------------------------------------|----------------|
| Revenues: | |
| Intergovernmental | \$ 5,129 |
| Miscellaneous | <u>3,822</u> |
| Total revenues | <u>8,951</u> |
| Expenditures: | |
| Capital outlay | <u>10,258</u> |
| Expenditures: | <u>10,258</u> |
| Revenues over (under) expenditures | <u>(1,307)</u> |
| Transfers from other funds | <u>1,307</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, 2010

| | Project Authorization | Actual | | Total |
|---|--------------------------|-------------------|-------------------|-------------------|
| | | Prior Years | Current Year | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,246,880 | \$ - | \$ 25,500 | \$ 25,500 |
| Investment earnings | - | 10,646 | - | 10,646 |
| Miscellaneous | 275,000 | - | - | - |
| Total revenues | <u>1,521,880</u> | <u>10,646</u> | <u>25,500</u> | <u>36,146</u> |
| Expenditures: | | | | |
| Community Revitalization: | | | | |
| Operating | 350,000 | 76,041 | 25,500 | 101,541 |
| Capital outlay | 1,401,980 | 54,283 | 17,106 | 71,389 |
| Total expenditures | <u>1,751,980</u> | <u>130,324</u> | <u>42,606</u> | <u>172,930</u> |
| Revenues over (under) expenditures | <u>(230,100)</u> | <u>(119,678)</u> | <u>(17,106)</u> | <u>(136,784)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | 230,100 | 230,100 | 12,912 | 243,012 |
| Total other financing sources (uses) | <u>230,100</u> | <u>230,100</u> | <u>12,912</u> | <u>243,012</u> |
| Revenues and other financing sources over (under) expenditures | <u>\$ -</u> | <u>\$ 110,422</u> | <u>(4,194)</u> | <u>\$ 106,228</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>110,422</u> | |
| End of year, June 30 | | | <u>\$ 106,228</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, 2010

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|---|---------------------|-------------------|---|
| Revenues: | | | |
| Project | \$ 325,000 | \$ 398,982 | \$ 73,982 |
| Investment earnings | - | 1,073 | 1,073 |
| Total revenues | <u>325,000</u> | <u>400,055</u> | <u>75,055</u> |
| Expenditures: | | | |
| Public service: | | | |
| Operating | 332,900 | 266,733 | 66,167 |
| Capital outlay | <u>255,100</u> | <u>255,006</u> | <u>94</u> |
| Total expenditures | <u>588,000</u> | <u>521,739</u> | <u>66,261</u> |
| Revenues over (under) expenditures | <u>\$ (263,000)</u> | (121,684) | <u>\$ 141,316</u> |
| Other Financing Sources (Uses): | | | |
| Fund balance appropriated | <u>263,000</u> | - | <u>(263,000)</u> |
| Total other financing sources (uses) | <u>263,000</u> | <u>-</u> | <u>(263,000)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | (121,684) | <u>\$ (121,684)</u> |
| Fund Balances: | | | |
| Beginning of year, July 1 | | <u>422,267</u> | |
| End of year, June 30 | | <u>\$ 300,583</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, 2010

| | <u>Project Authorization</u> | <u>Actual</u> | | |
|--|----------------------------------|------------------------|-------------------------|--------------------|
| | | <u>Prior Years</u> | <u>Current Year</u> | <u>Total</u> |
| Revenues: | | | | |
| Intergovernmental | \$ 3,090,000 | \$ 3,256,593 | \$ 411,782 | \$ 3,668,375 |
| Investment earnings | 35,000 | 52,159 | 1,343 | 53,502 |
| Total revenues | <u>3,125,000</u> | <u>3,308,752</u> | <u>413,125</u> | <u>3,721,877</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers to other funds | <u>(3,125,000)</u> | <u>(2,825,000)</u> | <u>(300,000)</u> | <u>(3,125,000)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 483,752</u> | 113,125 | <u>\$ 596,877</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>483,752</u> | |
| End of year, June 30 | | | <u>\$ 596,877</u> | |



NON MAJOR CAPITAL PROJECTS FUNDS

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

General Capital Projects Fund

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

General Capital Development Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

| | <u>General Capital Projects</u> | <u>General Capital Development Projects</u> | <u>Total Nonmajor Capital Project Funds</u> |
|---------------------------------------|-------------------------------------|---|---|
| Assets: | | | |
| Cash and cash equivalents/investments | \$ 471,117 | \$ 80,841 | \$ 551,958 |
| Receivables - net: | | | |
| Ad valorem taxes | 9,780 | - | 9,780 |
| Other governmental agencies | 142 | 611,489 | 611,631 |
| Restricted cash and investments | <u>1,204,151</u> | <u>-</u> | <u>1,204,151</u> |
| Total assets | <u>\$ 1,685,190</u> | <u>\$ 692,330</u> | <u>\$ 2,377,520</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | 35,930 | 509,327 | 545,257 |
| Deferred revenues | <u>9,780</u> | <u>145,000</u> | <u>154,780</u> |
| Total liabilities | <u>45,710</u> | <u>654,327</u> | <u>700,037</u> |
| Fund Balance: | | | |
| Reserved for: | | | |
| State statute | 142 | - | 142 |
| Unreserved: | | | |
| Undesignated | <u>1,639,338</u> | <u>38,003</u> | <u>1,677,341</u> |
| Total fund balance | <u>1,639,480</u> | <u>38,003</u> | <u>1,677,483</u> |
| Total liabilities and fund balance | <u>\$ 1,685,190</u> | <u>\$ 692,330</u> | <u>\$ 2,377,520</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, 2010**

| | <u>General Capital Projects</u> | <u>General Capital Development Projects</u> | <u>Total Nonmajor Capital Project Funds</u> |
|--|-------------------------------------|---|---|
| Revenues: | | | |
| Taxes | \$ 70,912 | \$ - | \$ 70,912 |
| Intergovernmental | 373,000 | 971,811 | 1,344,811 |
| Project | 250,000 | - | 250,000 |
| Investment earnings | 1,503 | 246 | 1,749 |
| Miscellaneous | - | 3,097,417 | 3,097,417 |
| Total revenues | <u>695,415</u> | <u>4,069,474</u> | <u>4,764,889</u> |
| Expenditures: | | | |
| General government | 56,045 | - | 56,045 |
| Public safety | 558,465 | - | 558,465 |
| Parks and recreation | 465,450 | 210,207 | 675,657 |
| Public service | - | 6,418,173 | 6,418,173 |
| Community revitalization | 12,485 | - | 12,485 |
| Debt service | <u>575,093</u> | <u>-</u> | <u>575,093</u> |
| Total expenditures | <u>1,667,538</u> | <u>6,628,380</u> | <u>8,295,918</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(972,123)</u> | <u>(2,558,906)</u> | <u>(3,531,029)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 100,000 | 383,527 | 483,527 |
| Transfers to other funds | (133,527) | - | (133,527) |
| Debt financing issued | - | 1,084,661 | 1,084,661 |
| Installment purchase financing issued | <u>865,000</u> | <u>-</u> | <u>865,000</u> |
| Total other financing sources (uses) | <u>831,473</u> | <u>1,468,188</u> | <u>2,299,661</u> |
| Net change in fund balances | (140,650) | (1,090,718) | (1,231,368) |
| Fund Balances: | | | |
| Beginning of year - July 1 | <u>1,780,130</u> | <u>1,128,721</u> | <u>2,908,851</u> |
| End of year - June 30 | <u>\$ 1,639,480</u> | <u>\$ 38,003</u> | <u>\$ 1,677,483</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, 2010

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|---|--------------------|---------------------|---|
| Revenues: | | | |
| Ad valorem taxes | \$ 61,500 | \$ 70,912 | \$ 9,412 |
| Intergovernmental | 510,000 | 373,000 | (137,000) |
| Project | 250,000 | 250,000 | - |
| Investment earnings | 8,500 | 1,503 | (6,997) |
| Contributions | 323,000 | - | (323,000) |
| Total revenues | <u>1,153,000</u> | <u>695,415</u> | <u>(457,585)</u> |
| Expenditures: | | | |
| General government | 337,084 | 56,045 | 281,039 |
| Public safety | 1,749,497 | 558,465 | 1,191,032 |
| Parks and recreation | 596,250 | 465,450 | 130,800 |
| Community revitalization | 60,000 | 12,485 | 47,515 |
| Debt service | 576,000 | 575,093 | 907 |
| Total expenditures | <u>3,318,831</u> | <u>1,667,538</u> | <u>1,651,293</u> |
| Revenues over (under) expenditures | <u>(2,165,831)</u> | <u>(972,123)</u> | <u>1,193,708</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (134,000) | (133,527) | 473 |
| Transfers from other funds | 100,000 | 100,000 | - |
| Installment purchase financing issued | 865,000 | 865,000 | - |
| Fund balance appropriated | 1,334,831 | - | (1,334,831) |
| Total other financing sources (uses) | <u>2,165,831</u> | <u>831,473</u> | <u>(1,334,358)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(140,650)</u> | <u>\$ (140,650)</u> |
| Fund Balances: | | | |
| Beginning of year, July 1 | | <u>1,780,130</u> | |
| End of year, June 30 | | <u>\$ 1,639,480</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, 2010

| | Project Authorization | Prior Years | Actual | |
|--|--------------------------|---------------------|--------------------|--------------------|
| | | | Current Year | Total |
| Revenues: | | | | |
| Intergovernmental | \$ 5,408,050 | \$ 1,395,529 | \$ 971,811 | \$ 2,367,340 |
| Investment earnings | - | 62,745 | 246 | 62,991 |
| Miscellaneous | 5,601,200 | 1,463,002 | 3,097,417 | 4,560,419 |
| Total revenues | <u>11,009,250</u> | <u>2,921,276</u> | <u>4,069,474</u> | <u>6,990,750</u> |
| Expenditures: | | | | |
| Parks and recreation | 3,502,150 | 2,723,242 | 210,207 | 2,933,449 |
| Public service | 12,765,169 | 2,250,382 | 6,418,173 | 8,668,555 |
| Total expenditures | <u>16,267,319</u> | <u>4,973,624</u> | <u>6,628,380</u> | <u>11,602,004</u> |
| Revenues over (under) expenditures | <u>(5,258,069)</u> | <u>(2,052,348)</u> | <u>(2,558,906)</u> | <u>(4,611,254)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | 2,458,069 | 1,876,069 | 383,527 | 2,259,596 |
| Transfers to other funds | - | - | - | - |
| Debt financing issued | 2,800,000 | 1,305,000 | 1,084,661 | 2,389,661 |
| Total other financing sources (uses) | <u>5,258,069</u> | <u>3,181,069</u> | <u>1,468,188</u> | <u>4,649,257</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 1,128,721</u> | <u>(1,090,718)</u> | <u>\$ 38,003</u> |
| Fund Balance: | | | | |
| Beginning of year, July 1 | | | <u>1,128,721</u> | |
| End of year, June 30 | | | <u>\$ 38,003</u> | |

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

| | |
|-----------------------------|------------------|
| Revenues: | |
| Intergovernmental | \$ 475,190 |
| Miscellaneous | 10,824 |
| Total revenues | <u>486,014</u> |
| Expenditures: | |
| Public service | 655,272 |
| Parks Rec | 359,573 |
| Expenditures: | <u>1,014,845</u> |
| Revenues under expenditures | <u>(528,831)</u> |
| Transfers from other funds | <u>629,343</u> |
| Transfers to other funds | <u>(100,512)</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, 2010

| | Budget | Actual | Variance Positive/(Negative) |
|---|--------------------|---------------------|---------------------------------|
| Revenues: | | | |
| User charges | \$ 93,100,000 | \$ 92,440,662 | \$ (659,338) |
| Other operating revenue | 1,683,146 | 1,769,991 | 86,845 |
| Grants and subsidies | 2,360,619 | 2,257,775 | (102,844) |
| Investment earnings | 450,000 | 402,727 | (47,273) |
| Total revenues | <u>97,593,765</u> | <u>96,871,155</u> | <u>(722,610)</u> |
| Expenditures and Budgetary Appropriations: | | | |
| Distribution systems: | | | |
| Salaries | 2,150,240 | 2,149,878 | 362 |
| Employee benefits | 664,540 | 746,891 | (82,351) |
| Electric power purchase | 77,050,000 | 75,831,363 | 1,218,637 |
| Operating expense | 6,014,045 | 5,426,971 | 587,074 |
| Engineering: | | | |
| Salaries | 726,380 | 723,358 | 3,022 |
| Employee benefits | 171,960 | 170,059 | 1,901 |
| Operating expense | 402,721 | 370,618 | 32,103 |
| Utility support services: | | | |
| Salaries | 188,210 | 186,792 | 1,418 |
| Employee benefits | 46,710 | 45,310 | 1,400 |
| Operating expense | 547,000 | 508,378 | 38,622 |
| Energy services: | | | |
| Salaries | 708,940 | 658,680 | 50,260 |
| Employee benefits | 169,420 | 163,890 | 5,530 |
| Operating expense | 1,109,699 | 634,894 | 474,805 |
| Budgetary appropriations: | | | |
| Capital outlay | 9,443,321 | 5,774,423 | 3,668,898 |
| Debt services expenditures | 1,195,340 | 1,189,491 | 5,849 |
| Appropriation to school system | 472,040 | 472,031 | 9 |
| Total expenditures and budgetary appropriations | <u>101,060,566</u> | <u>95,053,027</u> | <u>6,007,539</u> |
| Revenues over (under) expenditures and budgetary appropriations | <u>(3,466,801)</u> | <u>1,818,128</u> | <u>5,284,929</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (1,600,000) | (1,600,000) | - |
| Transfers from other funds | 10,000 | 9,220 | (780) |
| Installment purchase financing issued | 2,010,000 | 1,455,000 | (555,000) |
| Fund balance appropriated | 3,046,801 | - | (3,046,801) |
| Total other financing sources (uses) | <u>3,466,801</u> | <u>(135,780)</u> | <u>(3,602,581)</u> |
| Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses) | <u>\$ -</u> | <u>\$ 1,682,348</u> | <u>\$ 1,682,348</u> |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis: | | | |
| Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses | | \$ 1,682,348 | |
| Depreciation | | (1,712,997) | |
| Debt principal | | 1,098,246 | |
| Capitalized capital outlay | | 5,303,854 | |
| Debt Issued | | <u>(1,455,000)</u> | |
| Change in net assets | | <u>\$ 4,916,451</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, 2010**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|--|-------------------|---------------------|---|
| Revenues: | | | |
| User charges | \$ 24,150,000 | \$ 25,026,292 | \$ 876,292 |
| Other operating revenue | 15,000 | (1,082) | (16,082) |
| Investment earnings | 210,000 | 157,267 | (52,733) |
| Total revenues | <u>24,375,000</u> | <u>25,182,477</u> | <u>807,477</u> |
| Expenditures and Budgetary Appropriations: | | | |
| Distribution systems: | | | |
| Salaries | 937,450 | 936,928 | 522 |
| Employee benefits | 394,440 | 420,998 | (26,558) |
| Natural gas purchases | 16,953,190 | 16,455,078 | 498,112 |
| Operating expense | 3,990,730 | 3,354,999 | 635,731 |
| Budgetary appropriations: | | | |
| Capital outlay | 2,441,580 | 1,869,737 | 571,843 |
| Debt services expenditures | 169,810 | 168,634 | 1,176 |
| Appropriation to school system | 400,388 | 400,388 | - |
| Total expenditures and budgetary appropriations | <u>25,287,588</u> | <u>23,606,762</u> | <u>1,680,826</u> |
| Revenues over (under) expenditures | <u>(912,588)</u> | <u>1,575,715</u> | <u>2,488,303</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (1,250,000) | (1,250,000) | - |
| Installment purchase financing issued | 75,000 | 65,000 | (10,000) |
| Fund balance appropriated | 2,087,588 | - | (2,087,588) |
| Total other financing sources (uses) | <u>912,588</u> | <u>(1,185,000)</u> | <u>(2,097,588)</u> |
| Revenues and other financing sources over (under) expenditures and other uses | <u>\$ -</u> | <u>\$ 390,715</u> | <u>\$ 390,715</u> |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis: | | | |
| Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses | | \$ 390,715 | |
| Depreciation | | (417,302) | |
| Debt principal | | 163,139 | |
| Capitalized capital outlay | | 1,788,407 | |
| Reserve for rate stabilization | | 250,000 | |
| Debt Issued | | <u>(65,000)</u> | |
| Change in net assets | | <u>\$ 2,109,959</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, 2010

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|---|--------------------|---------------------|---|
| Revenues: | | | |
| User charges | \$ 10,630,000 | \$ 10,970,151 | \$ 340,151 |
| Licenses and permits | 70,000 | 42,976 | (27,024) |
| Other operating revenue | 168,354 | 177,033 | 8,679 |
| Other nonoperating revenue | - | 67,370 | 67,370 |
| Grants and subsidies | 263,292 | 156,631 | (106,661) |
| Investment earnings | 97,000 | 61,646 | (35,354) |
| Total revenues | <u>11,228,646</u> | <u>11,475,807</u> | <u>247,161</u> |
| Expenditures and Budgetary Appropriations: | | | |
| Water treatment plants: | | | |
| Salaries | 1,617,980 | 1,593,365 | 24,615 |
| Employee benefits | 506,900 | 554,842 | (47,942) |
| Operating expense | 3,992,584 | 3,049,060 | 943,524 |
| Water services: | | | |
| Salaries | 667,540 | 577,892 | 89,648 |
| Employee benefits | 198,160 | 158,499 | 39,661 |
| Operating expense | 1,486,107 | 1,438,316 | 47,791 |
| Budgetary appropriations: | | | |
| Capital outlay | 3,349,499 | 1,172,716 | 2,176,783 |
| Debt services expenditures | <u>1,307,410</u> | <u>1,304,064</u> | <u>3,346</u> |
| Appropriation to school system | - | - | - |
| Total expenditures and budgetary appropriations | <u>13,126,180</u> | <u>9,848,754</u> | <u>3,277,426</u> |
| Revenues over (under) expenditures and budgetary appropriations | <u>(1,897,534)</u> | <u>1,627,053</u> | <u>3,524,587</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (250,000) | (250,000) | - |
| Debt financing issued | 263,292 | 156,631 | (106,661) |
| Installment purchase financing issued | 1,462,500 | 1,065,000 | (397,500) |
| Fund balance appropriated | <u>421,742</u> | - | <u>(421,742)</u> |
| Electric Fund | - | - | - |
| Transfers to: | | | |
| Sewer Fund | - | - | - |
| Total other financing sources (uses) | <u>1,897,534</u> | <u>971,631</u> | <u>(925,903)</u> |
| Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses | <u>\$ -</u> | <u>\$ 2,598,684</u> | <u>\$ 2,598,684</u> |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis: | | | |
| Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses | | \$ 2,598,684 | |
| Depreciation | | (1,295,900) | |
| Debt principal | | 1,179,108 | |
| Capitalized capital outlay | | 959,549 | |
| Debt Issued | | <u>(1,221,631)</u> | |
| Change in net assets | | <u>\$ 2,219,810</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, 2010**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|--|--------------------|---------------------|---|
| Revenues: | | | |
| User charges | \$ 11,600,000 | \$ 11,728,526 | \$ 128,526 |
| Licenses and permits | 29,000 | 47,552 | 18,552 |
| Other operating revenue | 105,030 | 148,866 | 43,836 |
| Grants and subsidies | 532,000 | 194,360 | (337,640) |
| Investment earnings | 80,000 | 78,285 | (1,715) |
| Total revenues | <u>12,346,030</u> | <u>12,197,589</u> | <u>(148,441)</u> |
| Expenditures and Budgetary Appropriations: | | | |
| Waste water treatment plants: | | | |
| Salaries | 1,067,400 | 1,026,207 | 41,193 |
| Employee benefits | 368,990 | 388,864 | (19,874) |
| Operating expense | 4,906,584 | 4,457,888 | 448,696 |
| Sewer services: | | | |
| Salaries | 722,360 | 722,246 | 114 |
| Employee benefits | 198,250 | 197,748 | 502 |
| Operating expense | 1,733,834 | 1,691,565 | 42,269 |
| Budgetary appropriations: | | | |
| Capital outlay | 5,608,266 | 2,456,977 | 3,151,289 |
| Debt services expenditures | <u>2,319,070</u> | <u>2,114,654</u> | <u>204,416</u> |
| Appropriation to school system | - | - | - |
| Total expenditures and budgetary appropriations | <u>16,924,754</u> | <u>13,056,149</u> | <u>3,868,605</u> |
| Revenues over (under) expenditures and budgetary appropriations | <u>(4,578,724)</u> | <u>(858,560)</u> | <u>3,720,164</u> |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | (13,000) | (12,912) | 88 |
| Installment purchase financing issued | 3,835,000 | 3,130,000 | (705,000) |
| Fund balance appropriated | <u>756,724</u> | <u>-</u> | <u>(756,724)</u> |
| Total other financing sources (uses) | <u>4,578,724</u> | <u>3,117,088</u> | <u>(1,461,636)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 2,258,528</u> | <u>\$ 2,258,528</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 | | \$ 2,258,528 | |
| Depreciation | | (1,803,753) | |
| Debt principal | | 1,822,170 | |
| Capitalized capital outlay | | 2,254,176 | |
| Gain (loss) on retirement/transfer of assets | | | |
| Debt Issued | | <u>(3,130,000)</u> | |
| Change in net assets | | <u>\$ 1,401,121</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, 2010**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|--|--------------------|-------------------|---|
| Revenues: | | | |
| User charges | \$ 3,050,000 | \$ 2,930,985 | \$ (119,015) |
| Other operating revenue | - | 2,770 | 2,770 |
| Grants and subsidies | 150,000 | 43,126 | (106,874) |
| Investment earnings | 60,000 | 33,349 | (26,651) |
| Total revenues | <u>3,260,000</u> | <u>3,010,230</u> | <u>(249,770)</u> |
| Expenditures and Budgetary Appropriations: | | | |
| Stormwater management: | | | |
| Salaries | 211,510 | 210,346 | 1,164 |
| Employee benefits | 65,740 | 93,913 | (28,173) |
| Operating expense | 387,650 | 373,413 | 14,237 |
| Stormwater operations: | | | |
| Salaries | 1,279,170 | 1,249,199 | 29,971 |
| Employee benefits | 356,220 | 347,344 | 8,876 |
| Operating expense | 559,820 | 347,632 | 212,188 |
| Budgetary appropriations: | | | |
| Capital outlay | 2,021,560 | 625,555 | 1,396,005 |
| Debt services expenditures | 234,370 | 234,342 | 28 |
| Total expenditures and budgetary appropriations | <u>5,116,040</u> | <u>3,481,744</u> | <u>1,634,296</u> |
| Revenues over (under) expenditures and budgetary appropriations | <u>(1,856,040)</u> | <u>(471,514)</u> | <u>1,384,526</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 300,000 | 300,000 | - |
| Installment purchase financing issued | 1,115,000 | 485,000 | (630,000) |
| Fund balance appropriated | 441,040 | - | (441,040) |
| Total other financing sources (uses) | <u>1,856,040</u> | <u>785,000</u> | <u>(1,071,040)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 313,486</u> | <u>\$ 313,486</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 | | \$ 313,486 | |
| Depreciation | | (214,392) | |
| Debt principal | | 226,674 | |
| Capitalized capital outlay | | 530,020 | |
| Reserve for rate stabilization | | | |
| Debt Issued | | <u>(485,000)</u> | |
| Change in net assets | | <u>\$ 370,788</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, 2010

| | <u>Financial Plan</u> | <u>Actual</u> | <u>Variance Positive/(Negative)</u> |
|--|-----------------------|-------------------|---|
| Revenues: | | | |
| Insurance premiums | \$ 6,000,000 | \$ 6,199,961 | \$ 199,961 |
| Expenditures: | | | |
| Insurance claims | 6,000,000 | 5,166,313 | 833,687 |
| Administrative fees | - | 1,190,404 | (1,190,404) |
| Total expenditures | <u>6,000,000</u> | <u>6,356,717</u> | <u>(356,717)</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(156,756)</u> | <u>(156,756)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(156,756)</u> | <u>\$ (156,756)</u> |
| Fund Balance: | | | |
| Beginning of year, July 1 | | <u>524,828</u> | |
| End of year, June 30 | | <u>\$ 368,072</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, 2010

| Community Development and Governmental Activities Fund: | Balance July 1, 2009 | Additions | Deductions | Balance June 30, 2010 |
|--|---------------------------------|----------------------|----------------------|----------------------------------|
| Assets: | | | | |
| Cash and cash equivalents/investments | \$ 340,724 | \$ 176,027 | \$ 217,587 | \$ 299,164 |
| Total assets | <u>\$ 340,724</u> | <u>\$ 176,027</u> | <u>\$ 217,587</u> | <u>\$ 299,164</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 15 | \$ 112 | \$ 15 | \$ 112 |
| Due to other governmental agency | 340,709 | 175,915 | 217,572 | 299,052 |
| Total liabilities | <u>\$ 340,724</u> | <u>\$ 176,027</u> | <u>\$ 217,587</u> | <u>\$ 299,164</u> |
| Business Development Authority: | | | | |
| Cash and cash equivalents/investments | \$ - | \$ 9,257,036 | \$ 9,257,036 | \$ - |
| Note receivable | - | 5,909,600 | - | 5,909,600 |
| Reserve for note receivable | - | (5,909,600) | - | (5,909,600) |
| Total assets | <u>\$ -</u> | <u>\$ 9,257,036</u> | <u>\$ 9,257,036</u> | <u>\$ -</u> |
| Accounts payable | \$ - | \$ 25,105 | \$ 25,105 | \$ - |
| Note payable | - | 5,909,600 | 3,347,436 | 2,562,164 |
| Due to other agencies | - | (2,562,164) | - | (2,562,164) |
| Total liabilities | <u>\$ -</u> | <u>\$ 3,372,541</u> | <u>\$ 3,372,541</u> | <u>\$ -</u> |
| Douglas Block Landlord, LLC: | | | | |
| Cash and cash equivalents/investments | \$ - | \$ 8,375,614 | \$ 4,311,350 | \$ 4,064,264 |
| Capital assets (nondepreciable) | - | 320,689 | - | 320,689 |
| Total assets | <u>\$ -</u> | <u>\$ 8,696,303</u> | <u>\$ 4,311,350</u> | <u>\$ 4,384,953</u> |
| Note payable | \$ - | \$ 7,920,000 | \$ - | \$ 7,920,000 |
| Due to other agencies | - | (3,855,736) | - | (3,855,736) |
| Invested in capital assets, net of related debt | - | 320,689 | - | 320,689 |
| Total liabilities | <u>\$ -</u> | <u>\$ 4,384,953</u> | <u>\$ -</u> | <u>\$ 4,384,953</u> |
| Combining Totals: | | | | |
| Assets: | | | | |
| Cash and cash equivalents/investments | \$ 340,724 | \$ 17,808,677 | \$ 13,785,973 | \$ 4,363,428 |
| Note receivable | - | 5,909,600 | - | 5,909,600 |
| Reserve for note receivable | - | (5,909,600) | - | (5,909,600) |
| Capital Assets (nondepreciable) | - | 320,689 | - | 320,689 |
| Total assets | <u>\$ 340,724</u> | <u>\$ 18,129,366</u> | <u>\$ 13,785,973</u> | <u>\$ 4,684,117</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 15 | \$ 25,217 | \$ 25,120 | \$ 112 |
| Note payable | - | 13,829,600 | 3,347,436 | 10,482,164 |
| Due to other agencies | 340,709 | (6,241,985) | 217,572 | (6,118,848) |
| Invested in capital assets, net of related debt | - | 320,689 | - | 320,689 |
| Total liabilities | <u>\$ 340,724</u> | <u>\$ 7,933,521</u> | <u>\$ 3,590,128</u> | <u>\$ 4,684,117</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, 2010

| Year | Uncollected Balance 6/30/2009 | Additions and Refunds | Collections and Credits | Uncollected Balance 6/30/2010 |
|---|-------------------------------------|--------------------------|----------------------------|-------------------------------------|
| 2010-2011 | | 124,247 | 17,438 | 106,809 |
| 2009-2010 | \$ - | 21,194,294 | 20,107,982 | 1,086,313 |
| 2008-2009 | 1,052,728 | 349,438 | 891,709 | 510,456 |
| 2007-2008 | 461,216 | 4,857 | 169,600 | 296,473 |
| 2006-2007 | 285,424 | 179 | 40,909 | 244,693 |
| 2005-2006 | 199,732 | 44 | 23,276 | 176,500 |
| 2004-2005 | 157,404 | - | 12,036 | 145,369 |
| 2003-2004 | 156,636 | 15 | 8,414 | 148,237 |
| 2002-2003 | 157,940 | - | 6,772 | 151,169 |
| 2001-2002 | 115,252 | - | 3,541 | 111,711 |
| 2000-2001 | 100,825 | 2 | 2,941 | 97,885 |
| 1999-2000 | 105,087 | - | 46,997 | 58,090 |
| 1998-1999 | 49,257 | - | 31,815 | 17,441 |
| 1997-1998 | 15,119 | - | 15,119 | - |
| | <u>\$ 2,856,620</u> | <u>\$ 21,673,076</u> | <u>\$ 21,378,549</u> | <u>3,151,146</u> |
| Allowance for uncollectible ad valorem taxes receivable | | | | <u>(1,187,885)</u> |
| Ad valorem taxes receivable, net | | | | <u>\$ 1,963,261</u> |
| Reconciliation with Revenue: | | | | |
| Taxes | | | | \$ 21,344,953 |
| Penalties and interest | | | | <u>(180,918)</u> |
| Total | | | | <u>21,164,035</u> |
| Ad valorem taxes (excluding penalties and interest) | | | | |
| Current year | | | | 20,747,302 |
| Prior years | | | | <u>416,733</u> |
| | | | | 21,164,035 |
| Releases and transfers from interest | | | | 91,404 |
| Other | | | | <u>123,110</u> |
| Total collections and credits | | | | <u>\$ 21,378,549</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2010

| | <u>Valuation</u> | <u>Tax Rate Per \$100 Valuation</u> | <u>Tax Levy</u> | <u>Total Levy</u> | |
|---|-------------------------|---|----------------------|---|--|
| | | | | <u>Property Excluding Registered Motor Vehicles</u> | <u>Registered Motor Vehicles</u> |
| Original Levy: | | | | | |
| Property taxed at current year's rate: | | | | | |
| Real property | \$ 3,070,782,149 | 0.55 | \$ 16,889,330 | \$ 16,889,330 | \$ - |
| Personal property | 701,033,220 | 0.55 | 3,855,687 | 2,393,249 | 1,462,438 |
| Public service property | <u>86,186,082</u> | 0.55 | <u>474,023</u> | <u>474,023</u> | <u>-</u> |
| | 3,858,001,451 | | 21,219,040 | 19,756,602 | 1,462,438 |
| Discoveries | 24,020 | 0.50 | 120 | 120 | - |
| Discoveries | - | 0.48 | - | - | - |
| Discoveries | 13,105,124 | 0.55 | 51,826 | 51,826 | - |
| Discoveries | 352,799 | 0.58 | 2,046 | 2,046 | - |
| Discoveries | - | 0.44 | - | - | - |
| Refunds | <u>8,274,327</u> | 0.55 | <u>45,509</u> | <u>45,509</u> | <u>-</u> |
| Total property valuation | <u>\$ 3,879,757,721</u> | | | | |
| Net levy | | | 21,318,541 | 19,856,103 | 1,462,438 |
| Uncollected taxes at June 30, 2010 | | | <u>1,193,121</u> | <u>801,501</u> | <u>391,620</u> |
| Current year's taxes collected | | | <u>\$ 20,125,420</u> | <u>\$ 19,054,602</u> | <u>\$ 1,070,818</u> |
| Percent of current year taxes collected | | | <u>94.40%</u> | <u>95.96%</u> | <u>73.22%</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2010**

| <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> |
| General | \$ - | \$ 200,000 | \$ - |
| Stormwater | 300,000 | | |
| Electric | | 9,220 | |
| Capital Project Funds: | | | |
| General Capital Projects | | 100,000 | |
| Capital Development | 250,000 | | 133,527 |
| Special Revenue: | | | |
| Entitlement Grants | 103,770 | | |
| Public Transportation | 212,981 | | |
| Economic Development | | | |
| Crime/Safety Control | 19,703 | | |
| Total | <u>\$ 886,455</u> | <u>\$ 309,220</u> | <u>\$ 133,527</u> |

Schedule I-3

Enterprise Funds

| <u>Electric</u> | <u>Gas</u> | <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
|---------------------|---------------------|-------------------|------------------|---------------------|
| \$ 1,600,000 | \$ 1,250,000 | \$ 250,000 | | \$ 3,300,000 |
| | | | | 300,000 |
| | | | | 9,220 |
| | | | | 100,000 |
| | | | | 383,527 |
| | | | | 103,770 |
| | | | | 212,981 |
| | | | 12,912 | 12,912 |
| | | | | 19,703 |
| <u>\$ 1,600,000</u> | <u>\$ 1,250,000</u> | <u>\$ 250,000</u> | <u>\$ 12,912</u> | <u>\$ 4,442,114</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, 2010 AND 2009**

| | <u>2010</u> | <u>2009</u> |
|---|-----------------------|-----------------------|
| Governmental Fund Capital Assets: | | |
| Land and land improvements | \$ 27,780,619 | \$ 27,033,461 |
| Buildings | 50,272,618 | 49,769,432 |
| Equipment | 39,304,909 | 38,047,825 |
| Infrastructure | 43,187,273 | 42,315,097 |
| Construction in progress | <u>1,951,699</u> | <u>1,661,127</u> |
| Total governmental funds capital assets | <u>\$ 162,497,118</u> | <u>\$ 158,826,942</u> |
| | | |
| Investment in Governmental Funds Capital Assets by Source: | | |
| General Fund | \$ 146,202,382 | \$ 142,675,152 |
| Special revenue funds | 3,650,944 | 3,666,133 |
| Joint Venture - Rocky Mount/Wilson Airport | <u>12,643,792</u> | <u>12,485,657</u> |
| Total governmental funds capital assets | <u>\$ 162,497,118</u> | <u>\$ 158,826,942</u> |

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2010**

| | <u>Land and Land Improvements</u> | <u>Buildings</u> | <u>Equipment</u> |
|------------------------------|---------------------------------------|----------------------|----------------------|
| General Government: | | | |
| Mayor and Council | 2,414,299 | - | 12,159 |
| City Clerk | 1,501,615 | 142,691 | 58,502 |
| City Manager | - | 17,238 | 93,131 |
| Finance | 3,207 | 101,401 | 6,693,406 |
| Central services | 1,245,002 | 22,688,374 | 1,088,513 |
| Human resources | - | 5,229 | 16,156 |
| Total general government | <u>5,164,122</u> | <u>22,954,932</u> | <u>7,961,867</u> |
| Transit | <u>66,262</u> | <u>72,903</u> | <u>3,511,779</u> |
| Public Safety: | | | |
| Police | 7,239 | 400,258 | 4,508,485 |
| Fire | 63,312 | 5,125,639 | 6,681,466 |
| Total public safety | <u>70,551</u> | <u>5,525,896</u> | <u>11,189,951</u> |
| Public works | <u>914,556</u> | <u>3,291,958</u> | <u>11,417,796</u> |
| Engineering | <u>1,442,490</u> | <u>86,441</u> | <u>1,158,906</u> |
| Parks and recreation | <u>18,622,852</u> | <u>7,755,438</u> | <u>3,505,655</u> |
| Airport | <u>1,499,788</u> | <u>10,585,049</u> | <u>558,955</u> |
| Total general capital assets | <u>\$ 27,780,619</u> | <u>\$ 50,272,618</u> | <u>\$ 39,304,909</u> |

Note: Amounts presented above exclude accumulated depreciation.

Schedule J-2

| <u>Infrastructure</u> | <u>Construction In Progress</u> | <u>Totals</u> |
|-----------------------|-------------------------------------|-----------------------|
| - | - | \$ 2,426,458 |
| - | - | \$ 1,702,808 |
| - | 1,310,213 | \$ 1,420,582 |
| - | - | \$ 6,798,013 |
| 754,987 | 147,483 | \$ 25,924,359 |
| - | - | \$ 21,385 |
| <u>754,987</u> | <u>1,457,696</u> | <u>38,293,604</u> |
| - | - | \$ 3,650,944 |
| - | - | \$ 4,915,982 |
| - | 53,930 | \$ 11,924,346 |
| - | <u>53,930</u> | <u>16,840,328</u> |
| <u>41,334,022</u> | <u>371,756</u> | <u>\$ 57,330,087</u> |
| - | - | \$ 2,687,836 |
| <u>1,098,265</u> | <u>68,318</u> | <u>\$ 31,050,527</u> |
| - | - | \$ 12,643,792 |
| <u>\$ 43,187,273</u> | <u>\$ 1,951,699</u> | <u>\$ 162,497,118</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, 2010

| | <u>Balance June 30, 2009</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2010</u> |
|----------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| General Government: | | | | |
| Mayor and Council | 2,335,654 | 91,130 | 327 | \$ 2,426,458 |
| | - | | | |
| City Clerk | 1,980,837 | 54,319 | 332,348 | \$ 1,702,808 |
| City Manager | 1,265,659 | 154,922 | | \$ 1,420,582 |
| | - | | | |
| Finance | 5,570,777 | 1,438,076 | 210,840 | \$ 6,798,013 |
| Central services | 25,557,114 | 367,244 | | \$ 25,924,359 |
| Human resources | 17,345 | 4,040 | - | \$ 21,385 |
| Total general government | <u>36,727,387</u> | <u>2,109,732</u> | <u>543,515</u> | <u>38,293,604</u> |
| Transit | <u>3,666,133</u> | <u>\$ 162,138</u> | <u>\$ 177,327</u> | <u>3,650,944</u> |
| Public Safety: | | | | |
| Police | 5,492,863 | 905,706 | 1,518,042 | \$ 4,880,527 |
| Fire | <u>11,491,381</u> | <u>635,541</u> | <u>167,121</u> | <u>11,959,801</u> |
| Total public safety | <u>16,984,244</u> | <u>1,541,247</u> | <u>1,685,163</u> | <u>16,840,328</u> |
| Public works | <u>56,548,949</u> | <u>\$ 2,083,684</u> | <u>\$ 1,302,547</u> | <u>57,330,087</u> |
| Engineering | <u>1,825,408</u> | <u>\$ 880,401</u> | <u>\$ 17,973</u> | <u>2,687,836</u> |
| Parks and recreation | <u>30,589,163</u> | <u>\$ 874,669</u> | <u>\$ 413,305</u> | <u>31,050,527</u> |
| Airport | <u>12,485,657</u> | <u>\$ 158,135</u> | <u>\$ -</u> | <u>12,643,792</u> |
| Total general fixed assets | <u>\$ 158,826,942</u> | <u>\$ 7,810,006</u> | <u>\$ 4,139,829</u> | <u>\$ 162,497,118</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 Nine Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| 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 | \$ 86,143,086 |
| 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 | 3,608,017 |
| 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 | 17,374,814 |
| Total governmental activities net assets | \$ 100,268,825 | \$ 102,770,186 | \$ 104,776,424 | \$ 105,323,678 | \$ 106,063,710 | \$ 107,684,247 | \$ 111,347,407 | \$ 109,913,653 | \$ 107,125,917 |
| 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 | \$ 120,173,718 |
| 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 | 34,419,807 |
| Total business-type activities | \$ 106,333,123 | \$ 112,116,455 | \$ 114,210,668 | \$ 117,823,092 | \$ 122,746,632 | \$ 130,484,391 | \$ 137,722,575 | \$ 143,575,396 | \$ 154,593,525 |
| 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 | \$ 206,316,804 |
| 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 | 3,608,017 |
| 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 | 51,794,621 |
| Total primary government net assets | \$ 206,601,948 | \$ 214,886,641 | \$ 218,987,092 | \$ 223,146,770 | \$ 228,810,342 | \$ 238,168,638 | \$ 249,069,982 | \$ 253,489,049 | \$ 261,719,442 |
| City of Rocky Mount Theatre, LLC | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ - | \$ - | \$ - | \$ - | \$ 724,066 | \$ 1,122,029 | \$ 898,194 | \$ 672,079 | \$ 441,663 |
| Restricted | - | - | - | 6,541,494 | 205,342 | 172,397 | 139,451 | 106,414 | 73,468 |
| Unrestricted | - | - | - | - | (156,261) | 100 | 100 | 100 | 100 |
| Total City of Rocky Mount Theatre, LLC net assets | \$ - | \$ - | \$ - | \$ 6,541,494 | \$ 773,147 | \$ 1,294,526 | \$ 1,037,745 | \$ 778,593 | \$ 515,231 |

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 | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 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 | \$ 7,092,390 |
| Public safety | 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 | 24,944,618 |
| Public Works | 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 | 8,996,638 |
| Engineering | 826,250 | 670,185 | 939,353 | 1,052,631 | 1,141,099 | 939,634 | 984,492 | 1,139,983 | 941,982 | 658,083 |
| Parks and recreation | 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 | 8,799,437 |
| Public Service | 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 | 11,884,227 |
| Emergency management | 1,949,401 | 1,284,794 | 1,087,972 | 2,263,801 | 2,263,801 | - | - | - | - | - |
| Hazard mitigation | 27,594,527 | 23,977,937 | 5,848,692 | 462,728 | 93,386 | 344,245 | - | - | - | - |
| Community revitalization | 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 | 3,585,679 |
| Interest on Long-term debt | 120,820 | 359,316 | 615,190 | 428,682 | 314,257 | 1,106,418 | 460,662 | 487,768 | 488,393 | 444,084 |
| Total governmental activities expenses | \$ 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 | \$ 66,405,156 |
| Business-type activities: | | | | | | | | | | |
| Electric | 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 | 90,363,924 |
| Gas | 24,014,136 | 15,799,765 | 17,768,879 | 21,394,773 | 24,556,908 | 30,983,889 | 27,016,418 | 25,544,219 | 25,635,724 | 21,822,518 |
| Water | 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 | 9,005,997 |
| Sewer | 8,926,129 | 9,464,318 | 9,291,806 | 9,470,920 | 9,813,137 | 9,826,701 | 9,658,399 | 9,367,159 | 10,035,568 | 10,783,556 |
| 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 | 2,939,442 |
| Total business-type activities expenses | \$ 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 | \$ 134,915,437 |
| Total primary government expenses | \$ 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 | \$ 201,320,593 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 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 | 1,799,924 |
| Public Safety | - | 456,322 | 754,530 | 800,098 | 813,507 | 375,831 | 578,729 | 404,249 | 334,178 | 321,163 |
| Public Works | 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 | 5,981,055 |
| Recreation | 316,986 | 636,783 | 481,227 | 575,445 | 551,449 | 667,022 | 1,125,845 | 924,160 | 1,057,313 | 1,126,057 |
| Public Service | - | 217,787 | 120,443 | 175,941 | 183,969 | 5,967 | 1,500,327 | 1,598,478 | 1,577,139 | 1,984,204 |
| Other activities | 731,319 | 162,533 | 3,938 | 5,240 | 116,612 | - | 52,786 | 14,692 | 9,934 | 14,131 |
| Operating grants and contributions | 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 | 8,013,552 |
| Capital grants and contributions | - | - | - | - | - | 3,435,584 | 1,448,987 | 2,813,051 | 1,313,359 | 4,796,852 |
| Total governmental activities program revenues | \$ 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 | \$ 24,036,938 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Electric | 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 | 94,204,551 |
| Gas | 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 | 25,025,210 |
| Water | 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 | 11,257,530 |
| Sewer | 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 | 11,924,944 |
| Storm Water Management | - | 14,881 | 2,020 | 2,366,558 | 2,464,505 | 2,673,764 | 2,666,750 | 2,691,342 | 2,918,743 | 2,933,755 |
| Operating grants and contributions | 183,525 | 373,726 | 166,740 | 296,007 | 50,000 | 50,000 | - | - | 105,536 | 6,102 |
| Capital grants and contributions | 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 | 148,003,984 |
| Total business-type activities program revenues | \$ 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 | \$ 172,040,922 |
| Total primary government program revenues | | | | | | | | | | |

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <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> | <u>2010</u> |
| General Fund | | | | | | | | | | |
| Reserved | \$ 11,029,686 | \$ 8,235,220 | \$ 6,456,306 | \$ 7,381,918 | \$ 8,267,350 | \$ 7,181,018 | \$ 11,340,732 | \$ 11,131,999 | \$ 10,118,081 | \$ 10,398,801 |
| Unreserved | 6,590,128 | 8,100,535 | 11,208,057 | 9,810,279 | 9,275,498 | 10,754,957 | 11,390,174 | 15,165,835 | 13,750,586 | 11,765,250 |
| Total General Fund | \$ 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 | \$ 22,164,051 |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 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 | \$ 63,546 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | (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 | 2,310,853 |
| Capital projects funds | 936,396 | 1,163,555 | 1,121,206 | 236,233 | (1,542,598) | (1,029,988) | 488,298 | 947,958 | 2,616,371 | 1,677,341 |
| Total all other governmental funds | \$ 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 | \$ 4,051,740 |
| Total governmental funds | \$ 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 | \$ 26,215,791 |

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 | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | | | | | | | |
| Ad valorem taxes | \$ 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 | \$ 21,415,865 |
| Intergovernmental revenues | 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 | 23,808,794 |
| Licenses and permits | 984,596 | 1,018,506 | 1,014,465 | 959,509 | 1,062,447 | 1,154,278 | 1,093,244 | 1,065,569 | 950,558 | 948,416 |
| Sales and services | 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 | 7,680,531 |
| Investment earnings | 1,235,917 | 543,329 | 386,621 | 325,595 | 571,907 | 953,803 | 1,137,780 | 980,278 | 436,902 | 122,011 |
| Contributions | - | - | - | - | - | 1,750 | - | - | - | - |
| Project revenue | 633,756 | 798,228 | 639,197 | 755,317 | 953,509 | 1,956,496 | 2,248,049 | 2,240,943 | 2,369,044 | 2,703,369 |
| Miscellaneous | 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 | 4,081,824 |
| Total revenues | 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 | 60,760,810 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 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 | 6,156,042 |
| Public safety | 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 | 24,825,635 |
| Public service | 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 | 5,186,371 |
| Public works | 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 | 9,127,316 |
| Engineering | 826,250 | 767,112 | 903,440 | 990,811 | 1,091,174 | 1,012,595 | 983,545 | 1,139,983 | 1,176,520 | 983,839 |
| Parks and recreation | 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 | 7,634,255 |
| Community revitalization | 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 | 3,573,194 |
| Emergency management | 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 | 8,845,997 | 1,103,937 | 60,052 | 31,604 | 34,323 | 136,122 | 117,391 | 25,000 | 252,543 | 56,045 |
| Public safety | - | 560,155 | 951,801 | 944,470 | 413,219 | 65,665 | 875,842 | 99,006 | 856,699 | 558,465 |
| 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 | 675,657 |
| Public service | 1,392,713 | 101,110 | 92,048 | 217,888 | 47,341 | 2,763 | 36,654 | 1,644,876 | 1,346,759 | 6,418,173 |
| Community revitalization | - | - | - | - | - | - | - | - | 154,794 | 12,485 |
| Debt service: | | | | | | | | | | |
| Principal | 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 | 3,202,319 |
| Interest | 120,820 | 359,316 | 615,190 | 428,682 | 314,257 | 1,106,418 | 460,662 | 487,768 | 488,393 | 444,084 |
| Total expenditures | \$ 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 | \$ 68,853,880 |
| Excess of revenues over (under) expenditures | (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) | (8,093,070) |

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------|---------------|---------------|---------------|-----------------|----------------|---------------|---------------|---------------|----------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | \$ 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 | 4,132,894 |
| Transfers out | (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) | (1,329,202) |
| Capital contributions | - | - | - | - | 100,388 | - | - | - | - | - |
| Debt Financing | - | - | - | - | - | - | - | - | 1,305,000 | 1,084,661 |
| Proceeds from installment purchase agreement | 745,105 | 1,674,000 | 758,000 | 12,574,001 | 1,532,354 | 725,000 | 1,032,000 | 1,586,000 | 2,822,000 | 1,705,000 |
| Total other financing sources (uses) | 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 | 5,593,353 |
| Net change in fund balance | \$ (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) | \$ (2,499,717) |
| Total debt service | \$ 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 | \$ 3,646,403 |
| Total expenditures | 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 | 68,853,880 |
| Capital outlay primary government only | 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 | 5,588,437 |
| Non-capital expenditures | \$ 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 | \$ 63,265,443 |
| Debt service as a percentage of non-capital expenditures | 3.36% | 4.06% | 4.19% | 5.45% | 5.95% | 7.09% | 6.55% | 5.35% | 6.36% | 5.76% |

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 | | Capital Projects | Debt Service | Total Expenditures |
|-------------|--------------------|---------------|----------------|------------------------------|--------------------|----------------------|--------------------------|------------------|--------------|--------------------|
| | | | | | | Hazard Mitigation | Community Revitalization | | | |
| 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 |
| 2010 | 6,212,087 | 25,384,100 | 11,604,544 | 10,111,155 | 8,309,912 | - | 3,585,679 | - | 3,646,403 | 68,853,880 |

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 | |
| 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 |
| 2010 | 21,344,953 | 8,543,046 | 2,932,552 | 912,148 | - | 84,474 | - | 948,416 | | 34,765,589 |

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 |
|--------------------|-------------------------|-------------------------------|-----------------------------------|-------------------------------|---------------------------|------------------------|----------------------------|----------------------|-----------------------|
| 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 |
| 2010 | 21,415,865 | 912,148 | 22,896,646 | 948,416 | 7,680,531 | 2,703,369 | 122,011 | 4,081,824 | 60,760,810 |

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 | | | | |
| 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% |
| 2010 (4&5) | 1,466,556,229 | 409,793,603 | 1,106,349,436 | 96,124,426 | 3,879,757,721 | 0.55 | 3,925,781,032 | 98.83% |

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> | |
| 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 |
| 2010 | 0.55 | - | 0.55 | 0.86 | - | 0.86 | 1.41 |

| <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> | |
| 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 |
| 2010 | 0.55 | - | 0.55 | 0.67 | 0.20 | 1.42 |

Sources: City of Rocky Mount Finance Department

Notes: 1) Municipal Service District represents part of the Downtown Business District

2) Edgecombe County Special School District established after City
School District merged with Nash County School District

City of Rocky Mount, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago

| Taxpayer | Type of Business | 2010 | | | 2011 | | |
|--|--|------------------------|------|---|------------------------|------|---|
| | | 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 | \$132,950,777 | 1 | 3.43 % | \$71,443,242 | 1 | 2.83 % |
| RBC Centura Bank | Banking | 59,860,052 | 2 | 1.54 | 42,008,121 | 3 | 1.67 |
| Carolina Telephone Company | Communications | 48,015,093 | 3 | 1.24 | 32,058,360 | 4 | 1.27 |
| Edgecombe Genco LLC ^e | Electrical Energy Producer | 44,397,583 | 4 | 1.14 | 60,035,603 | 2 | 2.38 |
| Hendon Golden East LLC ^b | Retail Shopping Center | 35,680,802 | 5 | 0.92 | 27,323,053 | 6 | 1.08 |
| Cobb Corners Ltd. Partnership | Retail Shopping Center | 23,080,600 | 6 | 0.59 | | | 0.00 |
| Kaba Ilco Corp ^c | Key & Security System Manufacturer | 18,814,440 | 7 | 0.48 | 25,300,634 | 7 | |
| Honeywell International Inc ^d | Aircraft Manufacturer | 16,478,223 | 8 | 0.42 | 30,986,936 | 5 | 1.23 |
| Fords Colony at RY Mount LLC | Community Development Company | 15,710,512 | 9 | 0.40 | | | |
| Boddie Noell Enterprises Inc | Restaurant Operator & Land Development | 14,645,732 | 10 | 0.38 | | | |
| AT & T Communications | Communications | | | | | | |
| Amoco Fabrics and Fibers ^f | Textile Manufacturer | | | | 25,242,971 | 8 | 1.00 |
| Burlington Industries | Textile Manufacturer | | | | 19,746,434 | 9 | 0.78 |
| | | | | | 14,973,026 | 10 | 0.59 |
| Total | | \$409,633,814 | | 10.56 % | \$349,118,380 | | 12.84 % |

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 Formerly 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 |
| 2001 | 11,604,820 | 406,285 | 12,011,105 | 11,122,043 | 95.84 | 791,179 | 11,913,222 | 99.19 |
| 2002 | 13,205,016 | 323,838 | 13,528,854 | 12,411,433 | 93.99 | 1,005,705 | 13,417,138 | 99.17 |
| 2003 | 14,241,109 | 277,126 | 14,518,235 | 13,464,833 | 94.55 | 902,232 | 14,367,065 | 98.96 |
| 2004 | 14,676,242 | 312,828 | 14,989,070 | 14,046,434 | 95.71 | 794,399 | 14,840,833 | 99.01 |
| 2005 | 15,314,550 | 364,564 | 15,679,114 | 14,652,620 | 95.68 | 881,126 | 15,533,746 | 99.07 |
| 2006 | 15,188,026 | 459,439 | 15,647,465 | 14,663,915 | 96.55 | 807,051 | 15,470,966 | 98.87 |
| 2007 | 17,089,087 | 444,462 | 17,533,549 | 16,403,053 | 95.99 | 885,802 | 17,288,855 | 98.60 |
| 2008 | 17,697,125 | 430,199 | 18,127,324 | 16,811,692 | 95.00 | 1,019,159 | 17,830,851 | 98.36 |
| 2009 | 19,086,402 | 447,794 | 19,534,196 | 18,132,030 | 95.00 | 891,709 | 19,023,739 | 97.39 |
| 2010 | 21,219,040 | 99,502 | 21,318,542 | 20,125,420 | 94.85 | | 20,125,420 | 94.40 |

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

**Electric Utility Revenue Rates
Fiscal Year 2009 -2010**

| Service Type | Monthly Customer Charge | Monthly Customer Charge-Single Phase | Monthly Customer Charge-Three Phase | Monthly Customer Charge-Under 1,000 kW | Monthly Customer Charge-1,000 - 2,500 kW | Monthly Customer Charge-Over 2,500 kW | Monthly Energy Charge-750 kWh/kWh | Monthly Energy Charge-1250 kWh/kWh | Monthly Energy Charge-All Over 2000 kWh/kWh | Monthly Energy Charge-First 2000 kWh/kWh | Monthly Energy Charge-Additional kWh/kWh |
|------------------------------------|-------------------------|--------------------------------------|-------------------------------------|--|--|---------------------------------------|-----------------------------------|------------------------------------|---|--|--|
| Residential | | 10.00 | 25.00 | | | | 0.1131538 | | | | |
| Small General Service | | 18.22 | 31.90 | | | | 0.1158244 | 0.131759 | 0.124472 | | |
| Medium General Service | | 19.01 | 33.29 | | | | 0.097561 | | | | |
| Large General Service | 807.20 | | | | | | 0.073988 | | | | |
| Coordinated Demand Control Service | | | | | 189.68 | 695.49 | 1,327.76 | | | | |
| Med General Seasonal/Intermittent | | 26.60 | 40.88 | | | | 0.058375 | | | 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>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> | <u>2010</u> |
| Residential-rates at fiscal year-end | | | | | | | | | | |
| Monthly Customer Charge-Single Phase | 7.31 | 7.79 | 7.79 | 8.16 | 8.26 | 9.23 | 9.23 | 9.23 | 10.00 | 10.00 |
| Monthly Customer Charge-Three Phase(add amount to single) | 10.47 | 11.15 | 11.15 | 11.68 | 11.83 | 13.22 | 13.22 | 13.22 | 15.00 | 15.00 |
| Monthly Energy Charge/kWH | | | | | | 0.12 | 0.11 | 0.11 | 0.13 | 0.13 |
| Monthly Energy Charge/kWH-Summer | 0.09 | 0.10 | 0.10 | 0.11 | 0.11 | - | - | - | - | - |
| Monthly Energy Charge/kWH-Winter | 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 | 14.85 | 14.85 | 15.56 | 15.75 | 17.60 | 17.60 | 17.60 | 18.22 | 18.22 |
| Monthly Customer Charge-Three Phase(add amount to single) | 10.47 | 11.15 | 11.15 | 11.68 | 11.83 | 13.22 | 13.22 | 13.22 | 13.68 | 13.68 |
| Monthly Energy Charge/kWH-First 750 kWh/kWH | 0.11 | 0.11 | 0.11 | 0.12 | 0.12 | 0.14 | 0.14 | 0.14 | 0.16 | 0.16 |
| Monthly Energy Charge/kWH-Next 1250 kWh/kWH | 0.09 | 0.09 | 0.09 | 0.10 | 0.10 | 0.11 | 0.11 | 0.11 | 0.13 | 0.13 |
| Monthly Energy Charge/kWH-Over 2000 kWh/kWH | 0.08 | 0.08 | 0.09 | 0.09 | 0.09 | 0.11 | 0.11 | 0.11 | 0.12 | 0.12 |
| Medium General Service-rates at fiscal year-end | | | | | | | | | | |
| Monthly Customer Charge-Single Phase | 13.94 | 14.85 | 14.85 | 15.56 | 15.75 | 17.60 | 17.60 | 17.60 | 19.01 | 19.01 |
| Monthly Customer Charge-Three Phase(add amount to single) | 10.46 | 11.15 | 11.15 | 11.68 | 11.83 | 13.22 | 13.22 | 13.22 | 14.28 | 14.28 |
| Monthly Energy Charge/kWH | 0.06 | 0.06 | 0.07 | 0.07 | 0.07 | 0.08 | 0.08 | 0.08 | 0.10 | 0.10 |
| Large General Service-rates at fiscal year-end | | | | | | | | | | |
| Monthly Customer Charge | 581.00 | 619.00 | 619.00 | 656.71 | 733.82 | 733.82 | 733.82 | 733.82 | 807.20 | 807.20 |
| Monthly Energy Charge/kWH | 0.04 | 0.05 | 0.05 | 0.05 | 0.06 | 0.06 | 0.06 | 0.06 | 0.07 | 0.07 |

City of Rocky Mount, North Carolina

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

| | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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> | <u>2010</u> |
| Coordinated Demand Control Service-rates fiscal end | | | | | | | | | | |
| Monthly Customer Charge-Under 1,000 kW | 100.00 | 150.00 | 150.00 | 157.17 | 157.17 | 175.63 | 175.63 | 175.63 | 189.68 | 189.68 |
| Monthly Customer Charge-1,000 -2,500 kW | 500.00 | 550.00 | 550.00 | 576.30 | 576.30 | 643.97 | 643.97 | 643.97 | 695.49 | 695.49 |
| Monthly Customer Charge-Over 2,500 kW | 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 | 1,327.76 |
| Monthly Energy Charge/kWH | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.06 | 0.06 |
| Med General Seasonal/Intermittent-rates fiscal end | | | | | | | | | | |
| Monthly Customer Charge-Single Phase | 13.94 | 14.85 | 14.85 | 15.56 | 15.75 | 17.60 | 17.60 | 17.60 | 26.60 | 26.60 |
| Monthly Customer Charge-Three Phase | 10.47 | 26.00 | 26.00 | 27.24 | 27.58 | 30.82 | 30.82 | 30.82 | 40.88 | 40.88 |
| Monthly Energy Charge-First 2000 kWh/kWH | 0.09 | 0.10 | 0.10 | 0.11 | 0.11 | 0.12 | 0.12 | 0.12 | 0.15 | 0.15 |
| Monthly Energy Charge-Additional kWh/kWH | 0.07 | 0.08 | 0.08 | 0.08 | 0.08 | 0.10 | 0.09 | 0.09 | 0.12 | 0.12 |

Source: City of Rocky Mount Administrative Policy

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

City of Rocky Mount, North Carolina

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

| Type of Business | 2010 | | | 2001 | | |
|------------------------------------|--------------------------|------|--------------------------------------|--------------------------|------|--------------------------------------|
| | Electric Revenue Billing | Rank | Percentage of Total Electric Revenue | Electric Revenue Billing | Rank | Percentage of Total Electric Revenue |
| Healthcare | \$ 2,150,530 | 1 | 2.22% | \$ 1,258,945 | 3 | 2.00% |
| Bread Distributor | 980,739 | 2 | 1.01% | 617,408 | 6 | 0.98% |
| Key & Security System Manufacturer | 963,524 | 3 | 0.99% | 759,072 | 5 | 1.21% |
| Food Distributor | 891,064 | 4 | 0.92% | 452,062 | 8 | 0.72% |
| Plastic Packaging Manufacturer | 863,948 | 5 | 0.89% | - | - | - |
| Bakery Production Facility | 860,705 | 6 | 0.89% | - | - | - |
| Department Store | 625,507 | 7 | 0.65% | - | - | - |
| Communications | 607,805 | 8 | 0.63% | 489,461 | 7 | 0.00% |
| Elevator Products Manufacturer | 496,476 | 9 | 0.51% | 418,338 | 9 | - |
| Bulk Variety Store | 424,792 | 10 | 0.44% | - | - | - |
| Textile Manufacturer | - | - | - | 2,367,894 | 1 | 3.77% |
| Textile Manufacturer | - | - | - | 1,631,675 | 2 | 2.60% |
| Textile Manufacturer | - | - | - | 782,951 | 4 | 1.25% |
| Food Distributor | - | - | - | 308,915 | 10 | 0.49% |
| | \$ 8,865,090 | | 9.15% | \$ 9,086,721 | | 13.02% |

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 |
|--------------------|---------------------------|------------------------|---------------------------|-------------------------|---|--------------------------------|---|--------------------------|---|
| 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% |
| 2010 | 94,210,653 | 75,831,363 | 13,969,285 | 4,410,005 | 2,097,226 | 6,507,231 | (1,590,780) | 4,916,451 | 5.2% |

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

| Fiscal Year | User Charges | Other Operating Revenues | Other Non-operating Revenues | Grants and Subsidies | Investment Earnings | Total Revenues |
|--------------------|---------------------|---------------------------------|-------------------------------------|-----------------------------|----------------------------|-----------------------|
| 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 |
| 2010 | 92,440,662 | 1,769,991 | - | 2,257,775 | 402,727 | 96,871,155 |

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

| Fiscal Year | Residential | Commercial/ Industrial | Commercial | Seasonal | Other Lights | Total Revenues |
|------------------------|--------------------|-----------------------------------|-------------------|-----------------|-------------------------|-----------------------|
| 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 |
| 2010 | 43,397,592 | 43,823,509 | 2,877,527 | 333,594 | 2,008,441 | 92,440,662 |

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 |
|--------------------|---------------------------|----------------------|---------------------------|-------------------------|---|--------------------------------|---|--------------------------|---|
| 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% |
| 2010 | 25,025,210 | 16,455,078 | 4,961,557 | 3,608,575 | (248,616) | 3,359,959 | (1,250,000) | 2,109,959 | 8.4% |

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

| Fiscal Year | User Charges | Other Operating Revenues | Investment Earnings | Total Revenues |
|------------------------|-------------------------|---|--------------------------------|-----------------------|
| 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 |
| 2010 | 25,026,292 | (1,082) | 157,267 | 25,182,477 |

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> |
|--------------------|--------------------|-------------------|-------------------|----------------|-----------------|--------------|-----------------------|
| 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 |
| 2010 | 13,103,265 | 7,132,263 | 920,091 | 3,226,058 | 644,615 | - | 25,026,292 |

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 |
|--------------------|---------------------------|---------------------------|--------------------------------|---|---|---|--------------------------|---|
| 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% |
| 2010 | 11,190,160 | 8,881,041 | 2,309,119 | 160,691 | 2,469,810 | (250,000) | 2,219,810 | 19.8% |

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

| Fiscal Year | User Charges | Licenses and Permits | Other Operating Revenues | Other Non-operating Revenues | Grants and Subsidies | Investment Earnings | Total Revenues |
|--------------------|---------------------|-----------------------------|---------------------------------|-------------------------------------|-----------------------------|----------------------------|-----------------------|
| 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 |
| 2010 | 10,970,151 | 42,976 | 177,033 | 67,370 | 156,631 | 61,646 | 11,475,807 |

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES

Last Ten Fiscal Years

| Fiscal Year | Inside City | Outside City | Municipal | Other | Total Revenues |
|------------------------|--------------------|---------------------|------------------|--------------|-----------------------|
| 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 |
| 2010 | 8,074,971 | 1,352,958 | 1,542,222 | | \$ 10,970,151 |

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 |
|--------------------|---------------------------|---------------------------|-------------------------|---|---|---|--------------------------|--|
| 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% |
| 2010 | 11,924,944 | 10,491,072 | 1,433,872 | (19,839) | 1,414,033 | (12,912) | 1,401,121 | 11.7% |

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

| Fiscal Year | User Charges | Licenses and Permits | Other Operating Revenues | Grants and Subsidies | Investment Earnings | Total Revenues |
|--------------------|---------------------|-----------------------------|---------------------------------|-----------------------------|----------------------------|-----------------------|
| 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 |
| 2010 | 11,728,526 | 47,552 | 148,866 | 194,360 | 78,285 | 12,197,589 |

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> |
|--------------------|----------------------|------------------------|-----------------------|------------------|--------------|-----------------------|
| 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 |
| 2010 | 9,058,870 | 371,775 | 16,705 | 2,256,489 | 24,687 | 11,728,526 |

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 |
|--------------------|---------------------------|---------------------------|-------------------------|---|---|---|--------------------------|--|
| 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% |
| 2010 | 2,933,755 | 2,931,774 | 1,981 | 68,807 | 70,788 | 300,000 | 370,788 | 12.6% |

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 Seven Fiscal Years

| Fiscal Year | User Charges | Other Operating Revenues | Grants and Subsidies | Investment Earnings | Total Revenues |
|--------------------|---------------------|---------------------------------|-----------------------------|----------------------------|-----------------------|
| 2004 | \$ 2,246,746 | \$ - | \$ - | \$ 2,137 | \$ 2,248,883 |
| 2005 | 2,333,267 | - | - | 23,603 | 2,356,870 |
| 2006 | 2,673,764 | - | - | 77,107 | 2,750,871 |
| 2007 | 2,666,750 | - | - | 122,104 | 2,788,854 |
| 2008 | 2,691,342 | - | - | 111,921 | 2,803,263 |
| 2009 | 2,918,643 | 100 | - | 59,734 | 2,978,477 |
| 2010 | 2,930,985 | 2,770 | 43,126 | 33,349 | 3,010,230 |

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 Seven Fiscal Years

| Fiscal Year | Residential | Multi-family | Commercial | Total Revenues |
|------------------------|--------------------|---------------------|-------------------|-----------------------|
| 2004 | \$ 644,860 | \$ 152,823 | \$ 1,449,063 | \$ 2,246,746 |
| 2005 | 639,378 | 159,929 | 1,533,961 | 2,333,267 |
| 2006 | 738,551 | 183,921 | 1,751,292 | 2,673,764 |
| 2007 | 744,151 | 170,866 | 1,751,733 | 2,666,750 |
| 2008 | 744,473 | 184,058 | 1,762,811 | 2,691,342 |
| 2009 | 790,210 | 195,884 | 1,932,549 | 2,918,643 |
| 2010 | 783,135 | 196,926 | 1,950,925 | 2,930,985 |

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | | | Total Primary Government | Percentage of Personal Income ^a | Per Capita ^a |
|-------------|-------------------------|-------------|-------------|-----------------------|--------------------------|-------------|-----------------------|----------------|--------------------------|--|-------------------------|
| | Capital Leases | Water Bonds | Sewer Bonds | Revolving Sewer Loans | Capital Leases | Sewer Bonds | Revolving Sewer Loans | Capital Leases | | | |
| | | | | | | | | | | | |
| 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 | 0.67% | 515.48 |
| 2010 | 12,968,881 | - | - | 3,973,180 | 13,958,946 | | | | 30,901,007 | not available | 513.14 |

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 | | | | | |
| 2001 | 17,560,000 | 0 | 0 | 17,560,000 | 1.27% | 0.57% | 313 |
| 2002 | 15,475,000 | 0 | 0 | 15,475,000 | 1.12% | 0.49% | 276 |
| 2003 | 13,415,000 | 0 | 0 | 13,415,000 | 0.95% | 0.42% | 239 |
| 2004 | 11,390,000 | 0 | 0 | 11,390,000 | 0.77% | 0.35% | 203 |
| 2005 | 9,400,000 | 0 | 0 | 9,400,000 | 0.62% | 0.27% | 167 |
| 2006 | 7,450,000 | 0 | 0 | 7,450,000 | 0.46% | 0.20% | 132 |
| 2007 | 5,535,000 | 0 | 0 | 5,535,000 | 0.34% | 0.15% | 98 |
| 2008 | 3,660,000 | 0 | 0 | 3,660,000 | 0.21% | 0.11% | 65 |
| 2009 | 1,815,000 | 0 | 0 | 1,815,000 | 0.10% | 0.05% | 31 |
| 2010 | - | 0 | 0 | 0 | not available | not available | 0 |

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**COMPUTATION OF DIRECT AND OVERLAPPING
Bonded Debt as of June 30, 2010**

| <u>Name of Governmental Unit</u> | <u>Net General Obligation Bonded Debt Outstanding</u> | <u>Percentage Applicable to City of Rocky Mount¹</u> | <u>City of Rocky Mount Share of Debt</u> |
|--------------------------------------|---|---|--|
| Direct Debt | | | |
| City of Rocky Mount: | | | |
| Sanitary Sewer | \$ - | 100.0% | \$ - |
| Water | <u>-</u> | 100.0% | <u>-</u> |
| Total Direct Debt | <u>\$ -</u> | | <u>\$ -</u> |
| Overlapping Debt | | | |
| Edgecombe County: | | | |
| Water & Sewer | 10,534,500 | 18.0% | 1,896,210 |
| Water & Sewer Bond | | | |
| Anticipation Notes | 2,072,000 | 18.0% | 372,960 |
| Nash County | <u>-</u> | 82.0% | <u>-</u> |
| Total Overlapping Debt | <u>\$ 12,606,500</u> | | <u>\$ 2,269,170</u> |
| Total direct and overlapping debt | <u>\$ 12,606,500</u> | | <u>\$ 2,269,170</u> |

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

(amounts expressed in thousands)

| | <u>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> | <u>2010</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Debt Limit | \$ 201,823 | \$ 239,934 | \$ 237,471 | \$ 234,847 | \$ 245,089 | \$ 245,446 | \$ 250,175 | \$ 258,592 | \$ 264,621 | \$ 310,381 |
| Total net debt applicable to limit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal debt margin | \$ 201,823 | \$ 239,934 | \$ 237,471 | \$ 234,847 | \$ 245,089 | \$ 245,446 | \$ 250,175 | \$ 258,592 | \$ 264,621 | \$ 310,381 |

Total net debt applicable to the limit as a percentage of debt limit 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Legal Debt Margin Calculation for Fiscal Year 2010

| | |
|--|-----------------|
| Assessed Value | \$3,879,757,721 |
| Debt Limit (8% of total assessed value) (1) | 310,380,618 |
| Debt applicable to limitation: Total outstanding bonded debt at 6/30/10 | - |
| Less: Statutory deductions (2 and 3) Bonds issued and outstanding for water purposes Bonds issued and outstanding for sewer purposes | - |
| Total amount of debt applicable to debt limit | - |
| Legal debt margin | \$310,380,618 |

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 | | Debt Service Requirements ³ | | Coverage |
| | | | Service | Principal | Interest | Total | |
| 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% |
| 2010 | 11,905,105 | 8,687,319 | 3,217,786 | 1,032,807 | 51,640 | 1,084,447 | 296.72% |

| | | Water Bonds | | | | | |
|-------------|---------------------------------|---------------------------------|--------------------------------|-----------|--|-----------|----------|
| Fiscal Year | Operating Revenues ¹ | Operating Expenses ² | Net Revenue Available for Debt | | Debt Service Requirements ³ | | Coverage |
| | | | Service | Principal | Interest | Total | |
| 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% |
| 2010 | 11,350,851 | 7,585,141 | 3,765,710 | 782,193 | 39,110 | 821,303 | 458.50% |

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) |
|------|------------------------|--|--|--|---|
| 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 | 4,584.9 | 31,276 | 14.3% | 634.9 |
| 2010 | 60,220 | not available | not available | 13.2% | 562.2 |

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 | 2010 | | | 2001 | | |
|--------------------------------|---------------|------|-----------------------------|---------------|------|-----------------------------|
| | Employees | Rank | Percentage of Total MSA (a) | Employees | Rank | Percentage of Total MSA (a) |
| Nash Rocky Mount Schools | 2,275 | 1 | 3.70% | 2,400 | 1 | 3.77% |
| Hospira | 1,800 | 2 | 2.93% | 2,132 | 2 | 3.35% |
| Nash Health Care Systems | 1,480 | 3 | 2.41% | 1,725 | 3 | 2.71% |
| RBC Centura | 1,250 | 4 | 2.04% | 950 | 5 | 1.49% |
| Cummins-Rocky Mount Engines | 1,150 | 5 | 1.87% | 1,480 | 4 | 2.33% |
| Wal-Mart Associates, Inc | 750 | 6 | 1.22% | | | 0.00% |
| West Customer Management Group | 600 | 7 | 0.98% | | | 0.00% |
| Universal Leaf | 475 | 8 | 0.77% | | | 0.00% |
| Kaba Ilco Corporation | 450 | 9 | 0.73% | 750 | 6 | 1.18% |
| McLane North Carolina | 400 | 10 | 0.65% | 634 | 9 | 1.00% |
| Texfi Blends | | | 0.00% | 675 | 7 | 1.06% |
| IBC Merita Wonder Bakery | | | 0.00% | 635 | 8 | 1.00% |
| Sprint | | | 0.00% | 600 | 10 | 0.94% |
| | <u>10,630</u> | | <u>17.31%</u> | <u>11,981</u> | | <u>18.83%</u> |

Source: Employment Security Commission

(a) Metropolitan Statistical Area

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

| Function/Program | Full-time Equivalent Employees as of June 30 | | | | | | | | | |
|----------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | 101 | 102 | 100 | 103 | 101 | 106 | 105 | 113 | 112 | 123 |
| Public Safety | | | | | | | | | | |
| Police | 180 | 181 | 177 | 175 | 184 | 193 | 191 | 193 | 204 | 220 |
| Fire | 127 | 124 | 132 | 136 | 136 | 133 | 133 | 148 | 146 | 144 |
| Public Works | 134 | 133 | 132 | 101 | 104 | 104 | 103 | 108 | 105 | 103 |
| Engineering | 23 | 22 | 21 | 24 | 24 | 23 | 25 | 24 | 25 | 25 |
| Parks & Recreation | 56 | 58 | 55 | 58 | 58 | 61 | 66 | 63 | 66 | 64 |
| Public Service | 3 | 3 | 2 | 2 | 2 | 2 | 4 | 4 | 4 | 4 |
| Economic Development | 27 | 24 | 26 | 25 | 23 | 20 | 20 | 22 | 22 | 24 |
| Electric | 52 | 55 | 50 | 53 | 54 | 58 | 59 | 63 | 64 | 67 |
| Gas | 21 | 18 | 19 | 20 | 21 | 21 | 18 | 19 | 20 | 19 |
| Water | 66 | 59 | 60 | 62 | 62 | 62 | 55 | 62 | 61 | 62 |
| Sewer | 26 | 26 | 27 | 27 | 27 | 25 | 27 | 24 | 24 | 24 |
| Storm Water | | | 1 | 32 | 32 | 33 | 31 | 34 | 37 | 38 |
| Total | 815 | 804 | 801 | 818 | 828 | 840 | 837 | 877 | 890 | 917 |

Source: Finance Department

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

| Function/Program | <u>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> | <u>2010</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | | | |
| Physical arrests | 8,387 | 8,934 | 10,714 | 9,221 | 8,911 | 8,270 | 11,367 | 10,985 | 11,524 | 12,030 |
| Traffic violations | 6,961 | 7,468 | 8,087 | 6,655 | 5,963 | 4,114 | 6,741 | 6,381 | 10,073 | 10,137 |
| Fire | | | | | | | | | | |
| Number of calls answered | 4,872 | 5,234 | 5,453 | 6,442 | 7,050 | 7,750 | 7,679 | 8,238 | 8,982 | 9,346 |
| Inspections | 2,429 | 2,236 | 3,350 | 2,686 | 2,862 | 2,957 | 2,361 | 2,174 | 2,491 | 2,385 |
| Water | | | | | | | | | | |
| Number of meters | 24,700 | 23,800 | 24,258 | 26,379 | 26,915 | 24,700 | 24,998 | 25,172 | 24,314 | 24,364 |
| Avg daily consumption (millions of gallons) | 13.9 | 13.3 | 11.6 | 11.9 | 11.9 | 11.3 | 11.5 | 10.11 | 9.41 | 10.04 |
| Peak daily consumption (millions of gallons) | 18.2 | 20.0 | 15.2 | 16.0 | 17.0 | 16.4 | 13.5 | 15 | 15.99 | 16.39 |
| Wastewater | | | | | | | | | | |
| Avg daily sewer treatment (millions of gallons) | 13.2 | 13.8 | 15.1 | 12.4 | 12.4 | 10.2 | 12.8 | 8.5 | 9.9 | 11.47 |

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

| Function/Program | <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> | <u>2010</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 55 | 52 | 60 | 60 | 58 | 58 | 42 | 51 | 51 | 58 |
| Fire | | | | | | | | | | |
| Stations | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Public Works | | | | | | | | | | |
| Streets (miles) | 259 | 265 | 268 | 270 | 272 | 268 | 263 | 281 | 283 | 284 |
| Streetlights | 6,600 | 6,600 | 6,739 | 6,957 | 6,957 | 6,957 | 6,850 | 6,913 | 6,919 | 6,830 |
| Recreation and Parks | | | | | | | | | | |
| Parks | 46 | 46 | 46 | 46 | 46 | 41 | 39 | 41 | 41 | 41 |
| Acreage | 472 | 472 | 472 | 481 | 481 | 499 | 506 | 481 | 521 | 558 |
| Swimming Pools | - | - | - | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Tennis Courts | 45 | 40 | 34 | 30 | 30 | 37 | 34 | 37 | 37 | 37 |
| Recreation centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water | | | | | | | | | | |
| Water mains (miles) | 300 | 300 | 350 | 360 | 360 | 461 | 473 | 480 | 480 | 480 |
| Maximum daily capacity (millions of gallons) | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Storage capacity (millions of gallons) | 10 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 9.25 |
| Wastewater | | | | | | | | | | |
| Treatment capacity (millions of gallons) | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Electric | | | | | | | | | | |
| Distribution lines (miles) | 691 | 691 | 665 | 680 | 429 | 687 | 720 | 734 | 735 | 733 |

