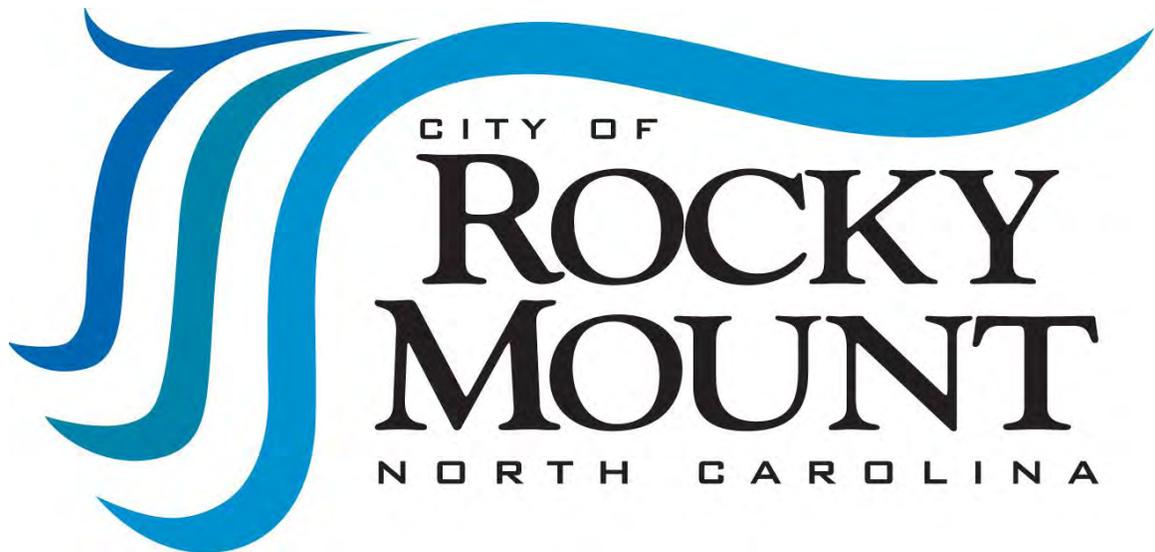


# **Comprehensive Annual Financial Report**



**Fiscal Year Ended June 30, 2011**

**CITY OF ROCKY MOUNT,  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2011**

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



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**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2011**

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# INTRODUCTORY SECTION

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





October 21, 2011

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, 2011.

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, 2011, 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, 2011, 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**

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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 57,477, 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 Manager. The City 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 102. 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 118.

## FACTORS AFFECTING FINANCIAL CONDITION

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

**Local economy.** Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. Rocky Mount is ranked as the 15<sup>th</sup> largest city in the state of North Carolina. Over the past 20 years, North Carolina has transitioned from a traditional economy based on tobacco, furniture and textiles to a global economy that is driven by knowledge-based enterprises, including advanced manufacturing, software and information technology, biopharmaceuticals and financial services. The Rocky Mount area continues to attract many of these new and technologically advanced industries. However, older, established industries, including textiles and agriculture, continue to thrive in the area. Agriculture contributes greatly to the area's economy, especially tobacco. The area is also a top producer of cucumbers, sweet potatoes, poultry, peanuts, cotton and hogs. Financial institutions have also become a vital part of the Rocky Mount area, and seven financial institutions have offices in the area. Among the area's leading products are pharmaceuticals, diesel engines, bakery products, processed tobacco, key systems, electronic controls, and automotive fuel systems. The Rocky Mount area has a great strategic location with excellent surface transportation networks in all directions of the compass including Highways I-95, US 64, and US 301.

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.7% as of June 30, 2011 compared to last year's rate of 13.2%. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services. Rocky Mount is not experiencing the economic recovery to the same extent as most of our metropolitan counterparts in North Carolina and nationwide. Noticeable differences in our local business and industrial base, noted recently in the Twin County Competitiveness Study commissioned by the City, Nash County and Edgecombe County, place us at a competitive disadvantage with those segments of the national and global marketplace (especially technology and biomedicine) that are resuming pre-recession growth patterns. At the same time, Rocky Mount received a revised reduction for in-City population from the 2010 Census. Prior to the Census, the State of North Carolina projected Rocky Mount's population at over 60,000. The official Census count of 57,477 is almost 5% less than the prior State estimate. However, the 2010 Census number is a 3% increase over the 2000 Census. This reduction in our City population has a significant, downward impact on revenues shared between Rocky Mount, the State and Nash and Edgecombe Counties. This is especially true for Local Option Sales Tax, which is distributed on a per capita basis. Because overall population counts for the counties in the 2010 Census were consistent with prior projections, Rocky Mount saw considerable reductions in distributions from both counties.

Our metropolitan area has seen some signs of growth since the start of 2011, tied often to the delivery of incentive packages coordinated through the North Carolina Department of Commerce and our local Carolinas Gateway Partnership. Recent economic investments include the expansion of QVC, Inc., a major multimedia retailer, through its subsidiary QVC Rocky Mount, Inc. The company will expand its distribution facility in Edgecombe County by approximately 1 million square feet while creating 200 new full-time and over 300 part-time jobs and will invest \$71 million during the next 5 years in Rocky Mount. In addition, Superior Essex Inc., a global leader in the design, manufacture, and supply of wire and cable products, intends to open its second manufacturing facility in Tarboro, our neighboring city in Edgecombe County. The company plans to create an additional 116 jobs over five years and invest incrementally more than \$58 million in the facility. This project will provide the infrastructure and equipment for Superior Essex to manufacture power cables for the commercial, industrial, and utility markets. Also in Rocky Mount, last fall, the West Corporation announced plans to hire an additional 250

people for its customer service call center. The new jobs are the result of increased demand from three existing West clients. The full time customer service positions, who will earn \$10-11 per hour plus incentives, will primarily focus on assisting incoming callers. 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 City completed Phase 1 of the Douglas Block redevelopment project this spring. The redevelopment of the Douglas Block included a budget of over \$10 million with funding provided by federal grants, a federal Section 108 loan which will be paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. The dedication ceremony of Phase 1 of the Douglas Block project represented a huge milestone and demonstrated a successful campaign made possible by years of work and commitment on the part of City staff and local leaders.

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 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 \$2.5 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 also has plans for a neighborhood residential weatherization program. In response to citizen concerns and the findings of the Twin County Competitiveness study, the City plans to supplement existing residential weatherization efforts (funding by external sources) with City-funded assistance. The project has a budget of \$1,000,000 over the next five years. These funds will be used to expand eligibility and complete rehabilitations for City residents with a focus on reducing utility consumption and related costs. The City continues its work on the downtown streetscape project that includes transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project is budgeted at over \$6.5 million and will utilize funding from a federal grant, Powell Bill matching funds, in addition to local funds. Construction work began this summer 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 pending Phase II western annexation for the Oak Level area was suspended by the General Assembly of North Carolina. House Bill 56 gave property owners the right to vote on whether they want their parcels located within the area to be annexed. If the board of elections delivers to the municipal governing board petitions signed by property owners of at least sixty percent (60%) of the parcels located within the area to be annexed, the annexation shall be terminated, and the municipality may not adopt a resolution of consideration for the area described in the annexation ordinance for at least 36 months. No expenditures have been included in our upcoming budget for annexation related costs pending a final verdict. The action taken by the legislative majority to limit our ability to annex neighboring urban developments has introduced us to additional challenges. However, the City continues 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 completed the implementation to a new utility customer information and billing system. The previous customer information and billing system was past its useful life and needed to be replaced. The project included the purchase and installation of new software to manage utility customer data, billing, and associated meters. The new software continues 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. The new software provides customers with the ability to have online access to view utility data and make payments electronically. These advanced features have allowed the City to provide more efficient and customer friendly services.

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. Recognizing the presence of continued economic problems during the current fiscal year, City staff recommended and implemented \$1.8 million in current budget reductions 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, it is necessary to eliminate employee wage increases for the upcoming budget year. 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. The budget reductions included reductions in operating accounts, freezing and maintaining many vacant staff positions, and deferrals of capital projects. Our long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities, has enabled us to respond effectively to our current climate and upcoming demands with minimal increases to the financial burden of our citizens.

**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 0.22%. All of the City's investments at June 30, 2011 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2011, the City's cash resources were invested as follows:

Cash on hand	\$ 9,175	.02%
Cash in traditional bank accounts	11,157,197	20.71%
Money Market funds	5,843,816	10.85%
Certificate of Deposit	3,000,000	5.57%
North Carolina Capital Management Trust	<u>33,854,301</u>	62.85%
Total	<u>\$ 53,864,489</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, 2009 was 21 years.

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

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 6.44% for employees not engaged in law enforcement and 6.41% for law enforcement officers. The State, for the second consecutive year, announced that the employer contribution rates would increase for fiscal year 2012 to 6.95% for employees not engaged in law enforcement and 7.05% for law enforcement officers. The substantial increase from the prior year plus the upcoming increase has had and will continue to have a significant impact on the City.

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. For the upcoming year, the City reduced the contribution for employees not engaged in law enforcement from 4% of annual covered salary to 3%, in part to the increased employer contributions that the City is required to make by the North Carolina Local Government Employees' Retirement System.

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, 190 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2010 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, 2010 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

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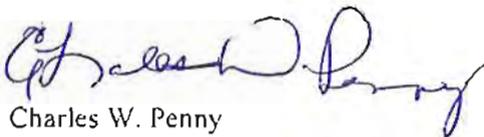
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the seventeenth consecutive year 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.

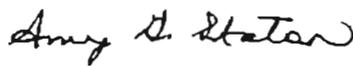
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2010. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

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

Respectfully submitted,



Charles W. Penny  
City Manager



Amy G. Staton  
Finance Director

# 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, 2010

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

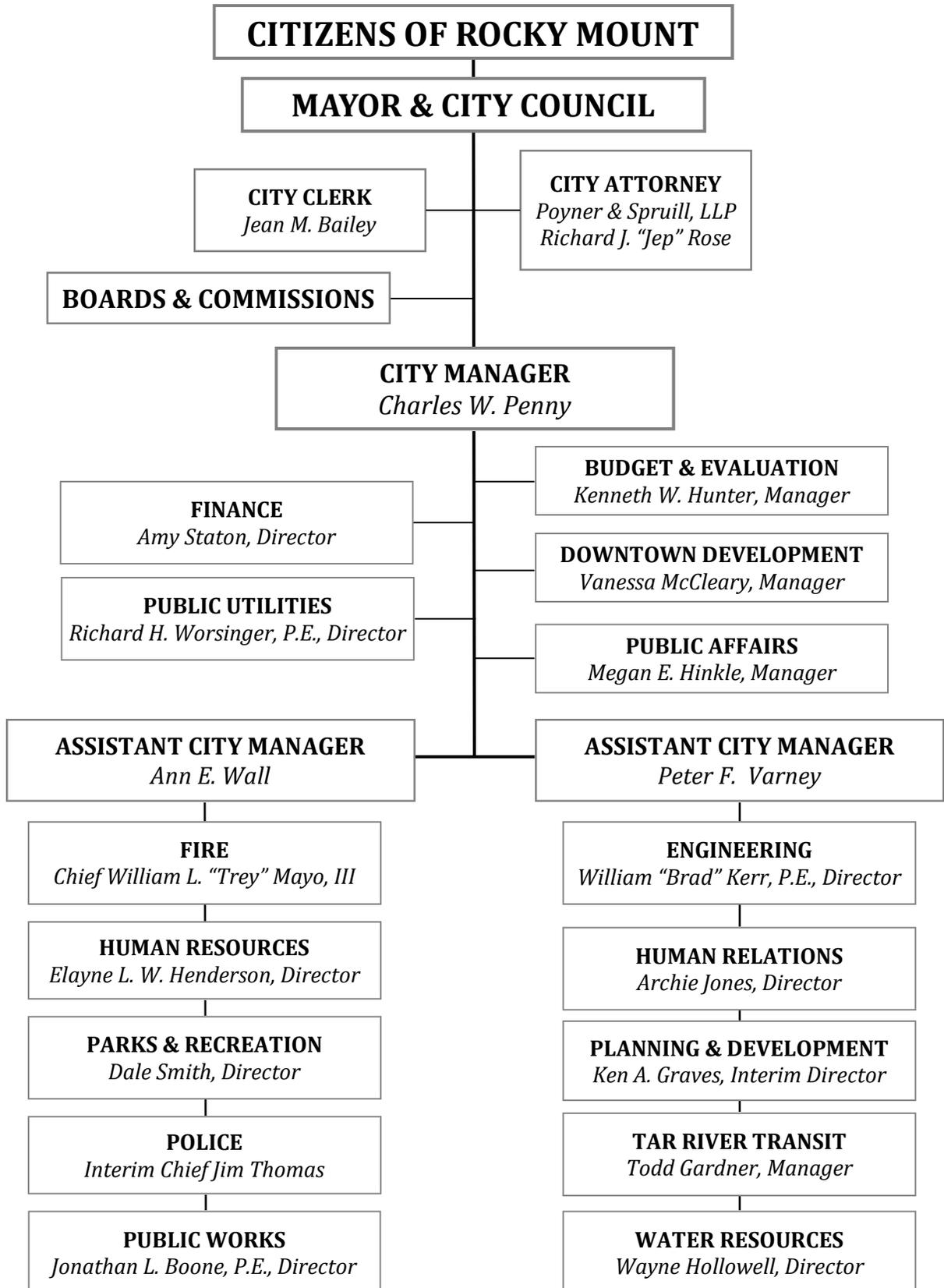
President

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

Executive Director



# Organization Chart



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

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2011**

### **CITY COUNCIL**

**David W. Combs, Mayor  
W.B. Bullock, Mayor Pro-tem**

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

### **CITY ADMINISTRATION**

**Charles W. Penny, City Manager  
Peter F. Varney, Assistant City Manager  
Ann E. Wall, Assistant City Manager**

## **FINANCIAL SECTION**

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



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

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

## INDEPENDENT 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, 2011, 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's management. Our responsibility is to express an opinion on these basic 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2011, and the respective changes in financial position and cash flows, where appropriate 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 a report dated October 21, 2011, on our consideration of the City of Rocky Mount'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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officer's Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of the City of Rocky Mount, North Carolina as a whole. The introductory section, combining and individual fund financial statements, 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 fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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.  
October 21, 2011

## **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, 2011. 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

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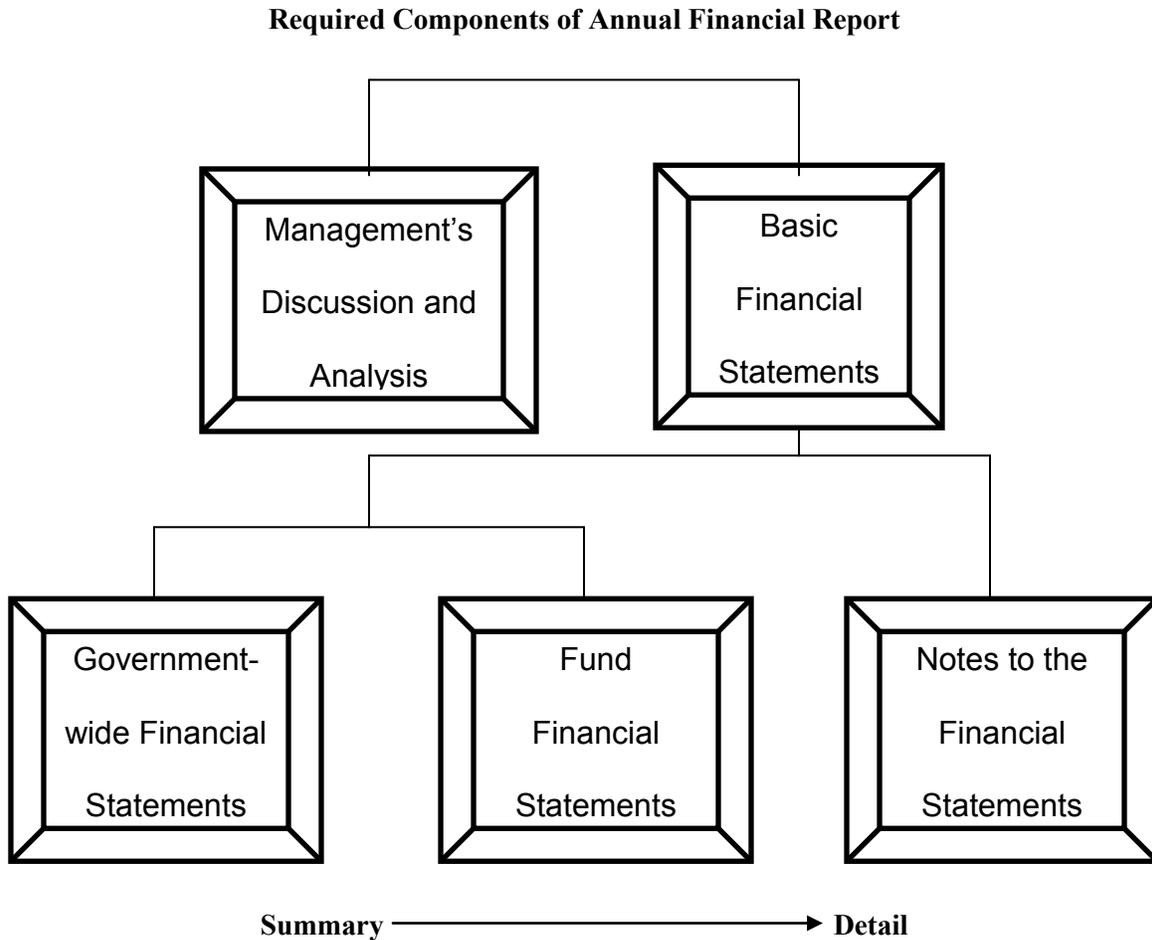
- The assets of the City exceeded its liabilities at the close of the fiscal year by \$272,066,466. The assets of the governmental activities exceeded liabilities by \$111,502,500 and the assets of the business-type activities exceeded liabilities by \$160,563,966.
- The government's total net assets grew by 4% or an increase of \$10,347,024 due to growth in both governmental and 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 \$25,946,720, a decrease of \$269,072 from the prior year. Approximately, 44.7% of this total amount or \$11,597,382 is nonspendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net assets of \$160,563,966, an increase of \$5,970,441.
- At the end of the current fiscal year, total unassigned fund balance for the General Fund was \$8,700,100, or 15.3% 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 14th 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

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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

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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

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**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 90 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 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
Current and other assets	\$ 35,589,024	\$ 35,331,271	\$ 54,681,916	\$ 54,160,148	\$ 90,270,940	\$ 89,491,419
Capital assets	104,478,488	99,258,722	137,901,545	133,852,431	\$ 242,380,033	\$ 233,111,153
<b>Total assets</b>	<b>140,067,512</b>	<b>134,589,993</b>	<b>192,583,461</b>	<b>188,012,579</b>	<b>332,650,973</b>	<b>322,602,572</b>
Long-term liabilities	20,369,486	19,427,309	19,658,330	20,193,692	40,027,816	39,621,001
Other liabilities	8,195,526	8,036,767	12,361,165	13,225,362	20,556,691	21,262,129
<b>Total liabilities</b>	<b>28,565,012</b>	<b>27,464,076</b>	<b>32,019,495</b>	<b>33,419,054</b>	<b>60,584,507</b>	<b>60,883,130</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	90,345,292	86,143,086	123,694,316	120,173,718	214,039,608	206,316,804
Restricted	9,442,921	3,608,017	-	-	9,442,921	3,608,017
Unrestricted	11,714,287	17,374,814	36,869,650	34,419,807	48,583,937	51,794,621
<b>Total net assets</b>	<b>\$ 111,502,500</b>	<b>\$ 107,125,917</b>	<b>\$ 160,563,966</b>	<b>\$ 154,593,525</b>	<b>\$ 272,066,466</b>	<b>\$ 261,719,442</b>

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 \$272,066,466 as of June 30, 2011. The City's net assets increased by \$10,347,024 for the fiscal year ended June 30, 2011. The largest portion of net assets, 78.7%, 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, 3.5% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, 17.8% 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 \$7,722,804 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 4% of total current year expenses. Restricted net assets increased by \$5,834,904 and unrestricted net assets

decreased by \$3,210,684 compared to the prior year. Since total net assets grew by \$10,347,024 or 5% 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 direct result of an increase in capital assets and relatively no change in the amount of debt outstanding related to capital items. The increase in restricted net assets is primarily the result of an increase in the amount restricted by State statute.

- The total increase in net assets was \$10,347,024 for the year. The total increase in net assets for the year was influenced by growth in charges for services of \$2,045,810 or 1.3% over the prior year. There was also an increase in operating grants and contributions of \$365,088 or 4.6%. This change in operating grants and contributions compared to the prior year was related to additional funding on community revitalization projects surrounding neighborhood stabilization. There was a net decrease in capital grants and contributions of \$1,685,174 or 22.6%. These changes in capital grants and contributions compared to the prior year were due to a significant reduction in current year funding for public service related to the phase 1 of the Douglas Block redevelopment project because the construction was completed during the year, and decreases in the business-type activities were mostly in part to completion of a large part of the utility pole realignment project being funded by NCDOT that began in the prior year. However, parks and recreation saw a significant increase in capital contributions due to a \$1 million gift from the estate of Maria V. Howard, a friend of the Arts Center.
- Ad valorem tax revenue declined by \$30,095 compared to the prior year. The prior year included 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. The current tax rate is \$0.55, per \$100 of assessed value, which did not change from the prior year. The reduction in revenue for the current year compared to the prior year is primarily the result of no tax rate increase and because our total property valuation decreased by 3,733,530 from the prior year as a result of a reduction in personal property valuations by the counties.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 95.46% 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 98.26%. The statewide collection percentage is based on 2010 statewide data and is the most recent published percentage. The City continues to be 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:**

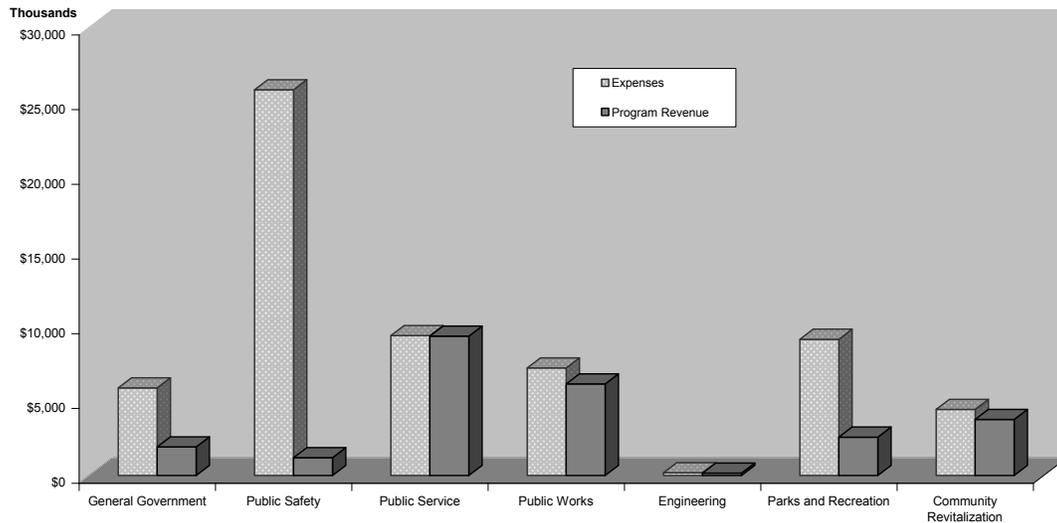
<b>City of Rocky Mount Changes in Net Assets</b>								
	<b>Governmental Activities 2011</b>	<b>Governmental Activities 2010</b>	<b>Business- type Activities 2011</b>	<b>Business- type Activities 2010</b>	<b>Total 2011</b>	<b>Total 2010</b>	<b>City of Rocky Mount Theatre LLC 2011</b>	<b>City of Rocky Mount Theatre LLC 2010</b>
Revenues:								
Program revenues:								
Charges for services	\$ 11,630,280	\$ 11,226,534	\$146,988,054	\$145,345,990	\$158,618,334	\$ 156,572,524	-	-
Operating grants and contributions	8,382,242	8,013,552	2,500	6,102	8,384,742	8,019,654	5,574	5,565
Capital grants and contributions	5,038,384	4,796,852	725,186	2,651,892	5,763,570	7,448,744	-	-
General revenues:								
Property taxes	21,528,800	21,558,895	-	-	21,528,800	21,558,895	-	-
Other taxes	12,816,702	12,760,746	-	-	12,816,702	12,760,746	-	-
Other	2,688,285	2,457,149	471,838	733,274	3,160,123	3,190,423	-	-
Total Revenues	<u>62,084,693</u>	<u>60,813,728</u>	<u>148,187,578</u>	<u>148,737,258</u>	<u>210,272,271</u>	<u>209,550,986</u>	<u>5,574</u>	<u>5,565</u>
Expenses:								
General Government	5,865,807	7,092,390	-	-	5,865,807	7,092,390	-	-
Public safety	25,816,170	24,944,618	-	-	25,816,170	24,944,618	-	-
Parks and Recreation	9,117,886	8,799,437	-	-	9,117,886	8,799,437	-	-
Public Works	7,197,559	8,996,638	-	-	7,197,559	8,996,638	-	-
Engineering	186,997	658,083	-	-	186,997	658,083	-	-
Public Service	9,368,808	11,884,227	-	-	9,368,808	11,884,227	-	-
Community Revitalization	4,422,615	3,585,679	-	-	4,422,615	3,585,679	-	-
Interest on long-term debt	292,268	444,084	-	-	292,268	444,084	-	-
Electric	-	-	92,056,649	90,363,924	92,056,649	90,363,924	-	-
Gas	-	-	22,445,683	21,822,518	22,445,683	21,822,518	-	-
Water	-	-	9,191,247	9,005,997	9,191,247	9,005,997	-	-
Sewer	-	-	10,884,607	10,783,556	10,884,607	10,783,556	-	-
Storm Water	-	-	3,078,951	2,939,442	3,078,951	2,939,442	-	-
Component unit	-	-	-	-	-	-	268,936	268,927
Total Expenses	<u>62,268,110</u>	<u>66,405,156</u>	<u>137,657,137</u>	<u>134,915,437</u>	<u>199,925,247</u>	<u>201,320,594</u>	<u>268,936</u>	<u>268,927</u>
Increase in net assets before transfers	(183,417)	(5,591,428)	10,530,441	13,821,821	10,347,024	8,230,393	(263,362)	(263,362)
Transfers	4,560,000	2,803,692	(4,560,000)	(2,803,692)	-	-	-	-
Increase in Net Assets	4,376,583	(2,787,736)	5,970,441	11,018,129	10,347,024	8,230,393	(263,362)	(263,362)
Net Assets, July 1	<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>253,489,049</u>	<u>515,231</u>	<u>778,593</u>
Net Assets, June 30	<u>\$ 111,502,500</u>	<u>\$107,125,917</u>	<u>\$160,563,966</u>	<u>\$154,593,525</u>	<u>\$272,066,466</u>	<u>\$ 261,719,442</u>	<u>\$ 251,869</u>	<u>\$515,231</u>

**Governmental activities.** Governmental activities increased the City’s net assets by \$4,376,583, representing a 42% addition to the City’s total net assets. Key elements of the current year governmental activities change in net assets are as follows:

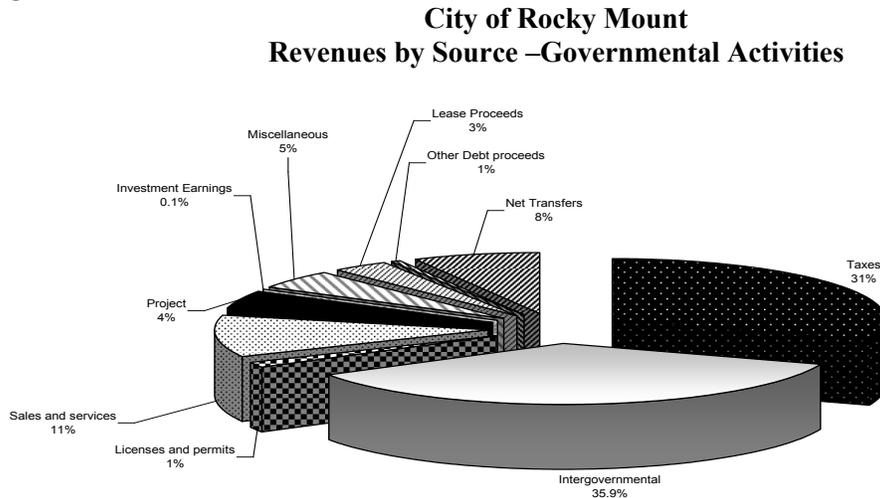
- Total revenues for governmental activities increased \$1,270,965 or 2% compared to the prior year. Charges for services had an increase of \$403,746 or 4% compared to the prior year. Operating grants and contributions and capital grants and contributions had an increase of \$368,690 or 5% and \$241,532 or 5% in revenue compared to the prior year, respectively. As discussed, these net increases in grants and contributions compared to the prior year were related to projects surrounding increased activities in community revitalization for neighborhood stabilization, decline in public service contributions related to completion of phase 1 of the Douglas Block project, and increase in contributions for parks and recreation. Property tax revenue decreased by \$30,095 compared to the prior year, as mentioned previously, due to no tax rate increase for the current year and a reduction in property valuation related to personal property valuations by the counties. Other revenues had an increase of \$231,136 or 9% compared to the prior year which was related to proceeds on a sale of a building the City owned.
- Total expenses for governmental activities decreased \$4,137,046 or 6%. General government expenses decreased by \$1,226,583 or 17% and Public works expenses decreased by \$1,799,079 or 20% as a result of the full accrual impact related to capital outlay for capital assets and depreciation expenses being allocated to the function. Public service expenses decreased by \$2,515,419 or 21% as a result of the decreased spending with the completion of phase 1 of the Douglas Block redevelopment project. Community revitalization expenses increased by \$836,936 or 23% due to the continued commitment to community redevelopment including the Beal Street project and other neighborhood stabilization projects. Public safety expenses increased by \$871,552 or 3% primarily related to increased employee compensation and benefits due to being fully staffed, directly attributable to the improved pay plan.

**Figure 4:**

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



**Figure 5:**



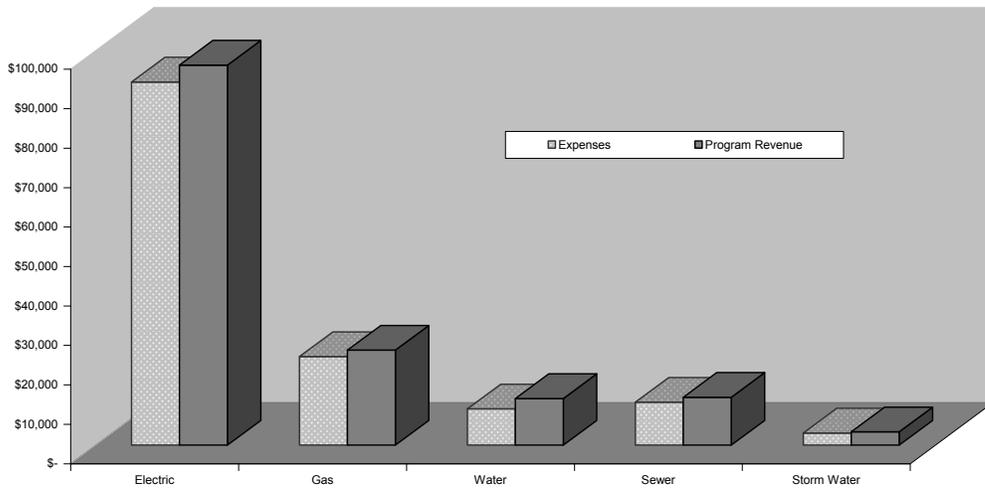
**Business-type activities:** Business-type activities increased the City’s net assets by \$5,970,441, representing 58% of the growth in the City’s total net assets. Key elements of the current year’s activities are as follows:

- Total revenues for business-type activities decreased \$549,688 compared to the prior year. Charges for services for business-type activities increased by a combined \$1,642,064 or 1% over the prior year. Electric revenue increased 2% over the prior year due to a very cold winter and a consumption increase during the winter months contributed to the increase in revenue. Natural gas revenue decreased 4% from the prior year due to a decrease in consumption and the market rates were volatile, and the City passed the decreases to our gas customers through a purchased gas adjustment. Water revenue increased 4% compared to the prior year due to an increase in consumption. Sewer revenue decreased 1% from the prior year. Stormwater revenue increased 14% over the prior year due to the rate increase of \$0.50 in the stormwater management fee (per ERU) per month implemented to cover the cost demands of our continual stormwater improvements and usage increased. Capital grants and contributions for business-type activities decreased by \$1,926,706 or 73% compared to the prior year primarily due to the completion of a large part of the utility pole realignment project being funded by NCDOT that began in the prior year.
- Operating expenses for business-type activities increased a combined 2% compared to the prior year. The operating expenses for electric increased by 2% over the prior year primarily due to increases in wholesale costs for power purchases. Expenses for natural gas, water, and sewer increased by 3%, 2% and 1%, respectively, due to increases in operating expenses. The stormwater operating expenses increased 5% over the prior year primarily due to the increase in cost demands to improve stormwater operations.
- The business-type activities transferred net funds to the governmental funds totaling \$4,560,000. This is an increase of \$1,756,308 compared to the prior year primarily due to the transfer made to the downtown streetscape project to cover each utility’s cost share in the project.

- The net change in assets for all business-type activities for the current fiscal year was an increase of \$5,970,441. All business-type operations resulted in net operating income after transfers. The change in net assets for Electric, Gas, Water, Sewer, and Stormwater was \$2,014,860, \$288,439, \$2,175,944, \$1,277,006, and \$214,192, respectively.

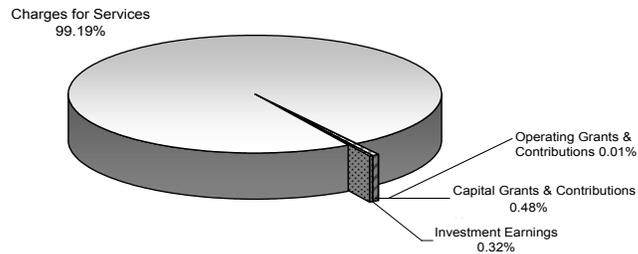
**Figure 6:**

**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

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

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

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$25,946,720, a decrease of \$269,072 in comparison with the prior year. Of this amount, \$8,575,828, or 33% is unassigned fund balance. The unassigned fund balance is available for spending at the government's discretion. Fund balance is categorized into four other categories, nonspendable, restricted, committed, and assigned. The current year fund balance that is nonspendable is \$455,546. The current year fund balance that has been restricted is \$11,141,836. The current year fund balance that has been committed is \$3,549,789. The current year fund balance that has been assigned is \$2,223,721. A portion of the assigned fund balance, \$1,433,525, is assigned for subsequent year's expenditures.

The general fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,700,100, while total general fund balance was \$18,944,626. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15% of total General Fund expenditures, while total fund balance represents 33% of that same amount.

At June 30, 2011, the governmental funds of the City reported a combined fund balance of \$25,946,720, a 1% decrease over last year. Included in this change in fund balance is a decrease in fund balance in the General Fund by \$3,219,426 with an increase of \$2,950,354 in the nonmajor governmental funds, with Special Revenue Funds increasing \$187,542 and Capital Project Funds increasing \$2,762,812. 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 increased mainly as a result of transfers related to the downtown streetscape project.

**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 \$1,954,278. Intergovernmental revenues were less than budget by \$1,067,909 due to the impact the continued 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 \$768,321. In addition, State grants were less than budget by \$242,430 due to not spending or receiving grant funds related to a NCDOT project that was delayed within the year. Ad valorem taxes were less than budget by

\$507,359 due to slow collections of revenue for property taxes. Investment earnings for the general fund were less than budget by \$114,699 due to the fact that returns on investments were considerably lower than expected for the current year.

The actual operating expenses for the General Fund were less than the budget amount by \$5,588,631. 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 \$1,334,654. Within the general government departments, the Finance department has expenditures less than the budget of \$525,887. Much of this is related to unspent budget in maintenance and service contracts, computer software, and capital outlay for computer equipment. Of this amount, \$174,309 was re-appropriated in 2012. The Mayor and council department has expenditures less than the budget of \$217,610 which is mainly due to the \$200,000 contingency budgeted but not expended. The Public works department has expenditures less than the budget of \$1,796,013 in part due to approximately \$873,041 for unspent capital items and \$207,756 in unspent salaries and benefits within the Public works department. Of the amount unspent on capital items, \$259,924 was re-appropriated to 2012. The Parks and recreation department has expenditures less than the budget of \$1,085,274 which is due to the reserved budget for the \$1 million gift received by the Arts Center that has not been spent. There were savings within Public service of \$1,132,906 for capital outlay as a result of not spending allocated Powell Bill funds. Of this amount, \$797,620 was re-appropriated to fiscal year 2012 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 \$15,109,810 for the Electric Fund, \$8,805,583 for the Gas Fund, \$6,107,811 for the Water Fund, \$4,655,113 for the Sewer Fund, and \$2,191,333 for the Stormwater Fund. The total growth of net assets for each fund was \$2,014,860, \$288,439, \$2,175,944, \$1,277,006, and \$214,192 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

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**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totals \$242,380,033 (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 \$2,093,732
- Environmental Services (5) Crane Carrier Heavy Duty Trucks \$1,127,835
- Fire 2010 Rosenbauer Aerial Truck \$806,746
- Booker T Washington High School HVAC Improvements \$676,333
- Land acquisition for Redevelopment Commission \$661,580
- Westminster Drive Extension \$510,329

- Construction in progress for Downtown Streetscape Design \$422,034. Total expended over the life of the project \$938,047.
- Streets Morbark 1100 Tub Grinder \$367,618
- Police (16) vehicles \$354,968
- Sidewalk enhancements \$245,530
- Transit (5) 2011 Dodge Lift Vans \$204,500
- Chiller plant replacement \$171,696
- English Road/Nicodemus extension \$166,525
- Transit (2) 2011 Ford E450 Champion Challengers \$152,950
- Construction of Bishop & Pharmstar road extension \$150,000
- Booker T Washington High School window replacement \$148,674
- Transit bus shelters \$144,300
- Fire Life Safety building renovations \$140,381
- Booker T Washington bathroom renovations \$115,791
- Sports Complex trail connector \$109,594

### **Proprietary Funds:**

#### **Additions**

- Construction in progress for improvements to sewer annexation areas \$1,387,506. Total expended over the life of the project \$2,973,986.
- Gas main Installations \$892,808
- Gas Utility CIS Infinity Software \$597,551
- Gas meters \$552,246
- Construction in progress for improvements to water annexation areas \$546,488. Total expended over the life of the project \$900,374.
- Electric Delta Primar Transformer \$478,200
- Electric meters \$390,250
- Stormwater Jet Vac combination truck \$290,259
- Electric Northern Connector \$275,848
- Construction in progress for stormwater drainage projects \$249,440. Total expended over the life of the project \$608,622.
- Electric Distribution Lines-Overhead \$236,181
- Electric Distribution Lines-Transformers \$199,231
- Electric Distribution Lines-Transmission Poles \$194,310
- Construction in progress for Electric 2<sup>nd</sup> POD Station \$188,373. Total expended over the life of the project \$295,536.
- Electric Distribution Lines-Underground \$185,195
- Sewer Country Club/Vance Street \$182,467
- Electric 2011 International 4400 4x2 Chassis \$164,525
- Water Lime Slurry Feed System \$164,196
- Electric (5) continuous breakers \$120,770
- Water Line Extension Areas 4&5 \$118,214
- Raw water pump #3 replacement \$116,488
- Water re-roof WWTP Administration building \$108,234
- Construction in progress for Electric 301 street lights project \$105,961. Total expended over the life of the project \$210,380.
- Construction in progress for Electric Hunter Hill widening \$102,409. Total expended over the life of the project \$102,409.

**Figure 8:**

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 8,512,124	\$ 7,658,744	\$ 2,035,470	\$ 1,829,847	\$ 10,547,594	\$ 9,488,591
Building	33,699,872	33,088,375	37,961,673	39,009,632	71,661,545	72,098,007
Improvements other than buildings	14,798,411	15,297,315	2,138,565	2,591,622	16,936,976	17,888,937
Machinery and equipment	11,459,326	9,563,836	23,008,502	21,379,049	34,467,828	30,942,885
Infrastructure	34,618,541	31,698,753	66,189,201	62,571,304	100,807,742	94,270,057
Construction in progress	1,390,214	1,951,699	6,568,134	6,470,977	7,958,348	8,422,676
Total Capital Assets (net of accumulated depreciation)	<u>\$104,478,488</u>	<u>\$99,258,722</u>	<u>\$137,901,545</u>	<u>\$133,852,431</u>	<u>\$242,380,033</u>	<u>\$233,111,153</u>

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

**Long-term Debt.** The City enters into installment lease financing arrangements which have 3 – 15 year terms for both the governmental and business-type activities. At June 30, 2011, the City had installment leases outstanding of \$25,428,493. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$700,000 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 \$2,655,000 for a HUD loan that is being used to finance the Douglas Block redevelopment project, and debt obligations in the amount of \$492,785 to the North Carolina Department of Transportation for reimbursement of road improvement and construction. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities to finance the replacement and upgrade of equipment at the City's water and wastewater treatment plants in the amount of \$3,835,026.

**Figure 9:**

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Installment lease payable	\$12,477,111	\$12,068,881	\$12,951,382	\$13,958,946	\$25,428,493	\$26,027,827
Other debt	3,847,785	3,810,769	-	-	3,847,785	3,810,769
Revolving Loans	-	-	3,835,026	3,973,180	3,835,026	3,973,180
Total	<u>\$16,324,896</u>	<u>\$15,879,650</u>	<u>\$16,786,408</u>	<u>\$17,932,126</u>	<u>\$33,111,304</u>	<u>\$33,811,776</u>

As mentioned in the financial highlights section of this document, the City maintained for the 14<sup>th</sup> 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 \$310,081,935.

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**

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The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2012.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.7% at June 30, 2011. This is a .5% increase in the unemployment rate compared to the prior year. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services.
- In the midst of economic uncertainty, influenced by inflationary pressures, nonexistent growth from existing revenues and challenges to baseline funding, the City will operate in a climate heavily influenced by minimal resident purchasing power, high unemployment, and significant inflation in key consumer commodities, such as gasoline. These are significant local realities, regardless of the "limited impact" concluded by national metrics.
- Sales tax revenue increased 3.8% 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. State guidance leads us to believe that next year's revenues may increase 2-3% in sales tax revenue in 2012. However, these projections may have to be downgraded as a result of the 2010 Census count and its impact on the per capita distribution with Nash and Edgecombe counties.

## **Budget Highlights for the Fiscal Year Ending June 30, 2012**

**Governmental Activities:** The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2012, the budget decreased 3% 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 to no growth. We have also reduced our projections for the coming year for planning,

development, and inspection fees, and interest on investments. Interest revenues have continued to decline steadily for the past two years. 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 \$0.75 per month for residential solid waste collection service (residential garbage) and a rate increase of \$0.25 per month for residential recycling fees. There is an approximate 3% increase in solid waste transfer station tonnage fees for haulers at the Transfer Station.

Budgeted expenditures in the governmental activities also decreased 3%. The combination of economic downturn and uncertainty, ensuring quality service delivery, upholding our commitments to employees, and continuing the neighborhood redevelopment initiatives 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 2011, and elimination of growth or actual reductions in other operating expenses. Employee compensation, including pay and benefits, continues to represent a large amount of the budget. While undesirable, it was necessary to eliminate employee wage increase for the coming fiscal year. Our staff have benefited from the revised pay plan implemented in 2009, along with subsequent raises for the last two fiscal years. Eliminating pay raises not only helps reduce current growth in salary and benefit expenditures, but it also minimizes the compounding effect of increases over time, providing us with some flexibility in the long-term. The City has to increase its employer contribution to the State Retirement fund on behalf of employees for the second consecutive year. 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 30 vacant positions in the general fund, which is a increase of 6 compared to the prior year. 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 increased 2% for the fiscal year ending June 30, 2012. There is no electric rate increase; however, increases are expected if the City's suppliers increase their rates. The budget does include revised gas rates that better reflect current economic conditions, without the impact of a cost increase to residential customers. There is no increase to water, sewer, and stormwater rates. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses for business-type activities increased 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. We are holding 12 positions vacant in the water resources funds and 7 in stormwater. Capital projects were limited. Funding is provided for distribution system improvements, transmission pole replacement, funds for the continuation of the automated meter-reading project, new gas lines and equipment, remediation of the former manufactured gas plant site, hydrilla management, repainting of City water tanks, replacement of oxygen delivery equipment at the wastewater treatment plant, continued rehabilitation of existing sewer mains, and drainage improvements.

## **Requests for Information**

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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, 2011**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/ investments	\$ 20,785,471	\$ 28,045,139	\$ 48,830,610	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	2,161,883	-	2,161,883	-
Taxes-other	9,627	-	9,627	-
Customers	685,219	15,972,805	16,658,024	-
Other governmental agencies	3,648,227	588,229	4,236,456	-
Notes receivable	-	17,577	17,577	-
Assessments	2,398,097	228,549	2,626,646	-
Other	3,551,580	290,779	3,842,359	-
Inventories	355,546	2,419,609	2,775,155	-
Restricted cash and investments	1,993,374	7,119,229	9,112,603	40,522
Total current assets	<u>35,589,024</u>	<u>54,681,916</u>	<u>90,270,940</u>	<u>40,622</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	9,902,338	8,603,604	18,505,942	6,581
Depreciable, net	94,576,150	129,297,941	223,874,091	8,552,973
Total capital assets	<u>104,478,488</u>	<u>137,901,545</u>	<u>242,380,033</u>	<u>8,559,554</u>
Other Noncurrent Assets:				
Other	-	-	-	53,185
Total other noncurrent assets	-	-	-	53,185
Total noncurrent assets	<u>104,478,488</u>	<u>137,901,545</u>	<u>242,380,033</u>	<u>8,612,739</u>
Total assets	<u>140,067,512</u>	<u>192,583,461</u>	<u>332,650,973</u>	<u>8,653,361</u>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable and accrued expenses	2,982,409	8,950,734	11,933,143	100,629
Current compensation absences	2,145,871	483,620	2,629,491	-
Current maturities of long-term debt	3,067,246	2,926,811	5,994,057	-
Total current liabilities	<u>8,195,526</u>	<u>12,361,165</u>	<u>20,556,691</u>	<u>100,629</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<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	449,894	4,540,048	4,989,942	-
Unearned revenue	1,219,941	-	1,219,941	-
Accrued compensation absences	1,485,923	266,465	1,752,388	-
Long-term debt	<u>17,213,728</u>	<u>14,851,817</u>	<u>32,065,545</u>	<u>8,300,863</u>
Total noncurrent liabilities	<u>20,369,486</u>	<u>19,658,330</u>	<u>40,027,816</u>	<u>8,300,863</u>
Total liabilities	<u>28,565,012</u>	<u>32,019,495</u>	<u>60,584,507</u>	<u>8,401,492</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	90,345,292	123,694,316	214,039,608	258,691
Restricted for:				
Stabilization by State statute	7,450,528	-	7,450,528	-
Streets	1,193,437	-	1,193,437	-
Public safety	365,590	-	365,590	-
Parks and recreation	433,366	-	433,366	-
Theatre	-	-	-	40,522
Unrestricted	<u>11,714,287</u>	<u>36,869,650</u>	<u>48,583,937</u>	<u>(47,344)</u>
Total net assets	<u>\$ 111,502,500</u>	<u>\$ 160,563,966</u>	<u>\$ 272,066,466</u>	<u>\$ 251,869</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, 2011**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 5,865,807	\$ 1,834,638	\$ 83,209	\$ -
Public safety	25,816,170	311,960	882,990	-
Public works	7,197,559	6,083,367	44,540	-
Engineering	186,997	12,018	147,301	-
Parks and recreation	9,117,886	1,199,165	155,323	1,215,446
Public service	9,368,808	2,189,132	3,315,915	3,822,938
Community revitalization	4,422,615	-	3,752,964	-
Interest on long-term debt	292,268	-	-	-
Total governmental activities	<u>62,268,110</u>	<u>11,630,280</u>	<u>8,382,242</u>	<u>5,038,384</u>
<b>Business-Type Activities:</b>				
Electric	92,056,649	96,022,707	2,500	318,300
Gas	22,445,683	24,079,519	-	-
Water	9,191,247	11,716,075	-	91,233
Sewer	10,884,607	11,817,647	-	300,815
Storm water management	3,078,951	3,352,106	-	14,838
Total business-type activities	<u>137,657,137</u>	<u>146,988,054</u>	<u>2,500</u>	<u>725,186</u>
Total primary government	<u>199,925,247</u>	<u>158,618,334</u>	<u>8,384,742</u>	<u>5,763,570</u>
<b>Component Unit:</b>				
City of Rocky Mount Theatre, LLC	268,936	-	5,574	-
Total component unit	<u>\$ 268,936</u>	<u>\$ -</u>	<u>\$ 5,574</u>	<u>\$ -</u>

General revenues:

Taxes:

Ad valorem taxes  
Local option taxes  
Franchise taxes  
Telecommunication taxes

Miscellaneous  
Investment earnings  
Gain on sale of assets

Total general revenues

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**

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>City of Rocky Mount Theatre, LLC</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (3,947,960)	\$ -	\$ (3,947,960)	\$ -
(24,621,220)	-	(24,621,220)	-
(1,069,652)	-	(1,069,652)	-
(27,678)	-	(27,678)	-
(6,547,952)	-	(6,547,952)	-
(40,823)	-	(40,823)	-
(669,651)	-	(669,651)	-
(292,268)	-	(292,268)	-
<u>(37,217,204)</u>	<u>-</u>	<u>(37,217,204)</u>	<u>-</u>
-	4,286,858	4,286,858	-
-	1,633,836	1,633,836	-
-	2,616,061	2,616,061	-
-	1,233,855	1,233,855	-
-	287,993	287,993	-
<u>-</u>	<u>10,058,603</u>	<u>10,058,603</u>	<u>-</u>
<u>(37,217,204)</u>	<u>10,058,603</u>	<u>(27,158,601)</u>	<u>-</u>
-	-	-	(263,362)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (263,362)</u>
21,528,800	-	21,528,800	-
8,961,679	-	8,961,679	-
3,019,976	-	3,019,976	-
835,047	-	835,047	-
2,145,438	-	2,145,438	-
86,433	471,838	558,271	-
456,414	-	456,414	-
<u>37,033,787</u>	<u>471,838</u>	<u>37,505,625</u>	<u>-</u>
<u>4,560,000</u>	<u>(4,560,000)</u>	<u>-</u>	<u>-</u>
<u>41,593,787</u>	<u>(4,088,162)</u>	<u>37,505,625</u>	<u>-</u>
4,376,583	5,970,441	10,347,024	(263,362)
<u>107,125,917</u>	<u>154,593,525</u>	<u>261,719,442</u>	<u>515,231</u>
<u>\$ 111,502,500</u>	<u>\$ 160,563,966</u>	<u>\$ 272,066,466</u>	<u>\$ 251,869</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 14,123,209	\$ 5,468,825	\$ 19,592,034
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	2,152,407	9,476	2,161,883
Other taxes	9,627	-	9,627
Customers	685,219	-	685,219
Other governmental agencies	2,865,611	782,616	3,648,227
Due from other funds	57,594	-	57,594
Prepaid items	-	100,000	100,000
Other	3,103,505	340,276	3,443,781
Assessments	2,398,097	-	2,398,097
Inventories	355,546	-	355,546
Restricted cash and investments	2,127,819	764,533	2,892,352
Total assets	<u>\$ 27,878,634</u>	<u>\$ 7,465,726</u>	<u>\$ 35,344,360</u>
<b>Liabilities and Fund Balances:</b>			
Accounts payable and accrued expenditures	\$ 2,345,249	\$ 371,062	\$ 2,716,311
Due to other funds	-	57,594	57,594
Deposits	424,394	25,500	449,894
Deferred revenues	6,164,365	9,476	6,173,841
Total liabilities	<u>8,934,008</u>	<u>463,632</u>	<u>9,397,640</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories	355,546	-	355,546
Prepaid items	-	100,000	100,000
<b>Restricted:</b>			
Stabilization by State statute	6,327,636	1,122,892	7,450,528
Streets	1,193,437	-	1,193,437
Future capital projects	934,382	764,533	1,698,915
Public safety	-	365,590	365,590
Parks and recreation	-	433,366	433,366
<b>Committed</b>			
Public service	-	766,218	766,218
Community revitalization	-	9,860	9,860
Future capital projects	-	2,773,711	2,773,711
<b>Assigned:</b>			
Subsequent year's expenditures	1,433,525	-	1,433,525
Capital projects	-	790,196	790,196
<b>Unassigned:</b>			
General fund	8,700,100	-	8,700,100
Public safety	-	(30,033)	(30,033)
Community revitalization	-	(94,239)	(94,239)
Total fund balances	<u>18,944,626</u>	<u>7,002,094</u>	<u>25,946,720</u>
Total liabilities and fund balances	<u>\$ 27,878,634</u>	<u>\$ 7,465,726</u>	<u>\$ 35,344,360</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2011**

**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	\$ 25,946,720
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	104,478,488
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,953,900
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.	294,538
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(20,280,974)
Compensated absences	(3,631,794)
Claims and judgments	<u>(258,378)</u>
Net assets of governmental activities	<u>\$ 111,502,500</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, 2011

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 21,262,641	\$ 74,455	\$ 21,337,096
Intergovernmental	17,133,611	7,947,800	25,081,411
Licenses and permits	883,621	-	883,621
Sales and service	7,777,765	-	7,777,765
Project	-	3,346,505	3,346,505
Investment earnings	82,552	3,881	86,433
Miscellaneous	2,238,321	1,117,361	3,355,682
Total revenues	<u>49,378,511</u>	<u>12,490,002</u>	<u>61,868,513</u>
<b>Expenditures:</b>			
Current:			
General government	5,856,442	801,837	6,658,279
Public safety	24,442,734	1,861,050	26,303,784
Public works	10,684,706	-	10,684,706
Engineering	974,241	-	974,241
Parks and recreation	7,906,477	307,722	8,214,199
Public service	3,607,496	6,013,565	9,621,061
Community revitalization	-	4,422,615	4,422,615
Debt service:			
Principal	2,980,771	-	2,980,771
Interest	292,268	-	292,268
Total expenditures	<u>56,745,135</u>	<u>13,406,789</u>	<u>70,151,924</u>
Revenues over (under) expenditures	<u>(7,366,624)</u>	<u>(916,787)</u>	<u>(8,283,411)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,157,233)	(691,918)	(1,849,151)
Transfers from other funds	3,739,431	3,417,720	7,157,151
Debt financing issued	-	410,339	410,339
Installment purchase financing issued	1,565,000	731,000	2,296,000
Total other financing sources (uses)	<u>4,147,198</u>	<u>3,867,141</u>	<u>8,014,339</u>
Net change in fund balances	(3,219,426)	2,950,354	(269,072)
<b>Fund balance:</b>			
Beginning of year, July 1	22,164,052	4,051,740	26,215,792
End of year, June 30	<u>\$ 18,944,626</u>	<u>\$ 7,002,094</u>	<u>\$ 25,946,720</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, 2011**

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) \$ (269,072)

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

Capital outlay	10,401,869
Depreciation	(5,130,160)
Basis of disposed/transferred capital assets	(51,943)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. 341,657

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. 66,345

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	(435,013)
Debt issuance	(2,706,339)
Transfer of debt from other funds	(748,000)
Debt retirement	2,980,771

A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities. (73,532)

Changes in net assets of governmental activities \$ 4,376,583

*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, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance Positive/(Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 21,770,000	\$ 21,770,000	\$ 21,262,641	\$ (507,359)
Intergovernmental	17,912,520	18,201,520	17,133,611	(1,067,909)
Licenses and permits	917,350	917,350	883,621	(33,729)
Sales and service	8,053,880	8,093,880	7,777,765	(316,115)
Investment earnings	175,000	197,251	82,552	(114,699)
Miscellaneous	1,039,200	2,152,788	2,238,321	85,533
Total revenues	<u>49,867,950</u>	<u>51,332,789</u>	<u>49,378,511</u>	<u>(1,954,278)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Mayor and council	475,170	502,411	284,801	217,610
City clerk	194,440	194,440	163,565	30,875
Community services	480,960	465,960	465,369	591
City manager	531,030	534,030	480,567	53,463
Public affairs	111,250	127,750	94,602	33,148
Downtown development	94,730	132,430	117,864	14,566
Finance	574,210	616,649	90,762	525,887
Central services	900,700	873,700	746,660	127,040
Planning and development	2,587,300	2,549,493	2,423,018	126,475
Human resources	1,225,600	888,423	691,983	196,440
Human relations	291,630	305,810	297,251	8,559
Total general government	<u>7,467,020</u>	<u>7,191,096</u>	<u>5,856,442</u>	<u>1,334,654</u>
<b>Public Safety:</b>				
Police	13,799,260	14,055,527	14,038,462	17,065
Fire	10,432,510	10,549,462	10,404,272	145,190
Total public safety	<u>24,231,770</u>	<u>24,604,989</u>	<u>24,442,734</u>	<u>162,255</u>
<b>Public Works:</b>				
Administration	205,700	205,700	198,520	7,180
Street and row maintenance	2,408,700	2,419,702	2,079,696	340,006
Housing code enforcement	940,090	972,045	949,929	22,116
Environmental service	6,995,450	8,209,190	7,245,692	963,498
Fleet maintenance	576,790	674,082	210,869	463,213
Total public works	<u>11,126,730</u>	<u>12,480,719</u>	<u>10,684,706</u>	<u>1,796,013</u>
<b>Engineering:</b>				
Administration	540,000	514,400	484,660	29,740
Traffic	578,680	531,990	489,581	42,409
Total engineering	<u>1,118,680</u>	<u>1,046,390</u>	<u>974,241</u>	<u>72,149</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, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance Positive/(Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Parks and Recreation:</b>				
Administration	410,170	446,495	444,485	2,010
Athletics	518,290	519,575	518,438	1,137
Cultural arts	649,710	1,678,931	648,861	1,030,070
Amusements and special events	208,750	234,015	203,224	30,791
Museum	483,670	477,763	476,994	769
Parks maintenance	1,832,250	1,883,534	1,883,465	69
Cemetery operations	430,860	427,193	425,369	1,824
Outdoor programs	234,400	235,530	235,482	48
Neighborhood programs	648,270	674,670	668,890	5,780
Senior programs	407,670	452,948	452,328	620
Sports complex	441,360	526,303	520,252	6,051
Imperial Centre	1,413,370	1,434,794	1,428,689	6,105
Total parks and recreation	<u>7,678,770</u>	<u>8,991,751</u>	<u>7,906,477</u>	<u>1,085,274</u>
Public service	<u>1,750,800</u>	<u>4,740,402</u>	<u>3,607,496</u>	<u>1,132,906</u>
Debt service	<u>2,899,140</u>	<u>3,278,419</u>	<u>3,273,039</u>	<u>5,380</u>
Total expenditures	<u>56,272,910</u>	<u>62,333,766</u>	<u>56,745,135</u>	<u>5,588,631</u>
Revenues over (under) expenditures	<u>(6,404,960)</u>	<u>(11,000,977)</u>	<u>(7,366,624)</u>	<u>3,634,353</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(979,840)	(1,175,795)	(1,157,233)	18,562
Transfers from other funds	3,660,000	3,660,000	3,739,431	79,431
Installment purchase financing used	1,177,500	1,177,500	1,565,000	387,500
Total other financing sources (uses)	<u>3,857,660</u>	<u>3,661,705</u>	<u>4,147,198</u>	<u>485,493</u>
Fund balance appropriated	<u>2,547,300</u>	<u>7,339,272</u>	<u>-</u>	<u>(7,339,272)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,219,426)</u>	<u>\$ (3,219,426)</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>22,164,052</u>	
End of year, June 30			<u>\$ 18,944,626</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, 2011

Business-Type Activities

	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 8,761,839	\$ 7,852,887	\$ 5,497,104	\$ 3,830,978
Restricted cash and investments	3,200,655	1,051,317	1,721,455	1,112,444
Due from other funds	-	91,116	-	-
Receivables - net:				
Assessments	-	-	84,760	143,789
Customers	11,761,553	890,302	1,427,933	1,488,936
Other governmental agencies	372,077	-	-	216,152
Notes receivable	-	-	11,882	5,695
Other	233,307	16,119	11,697	29,656
Inventories	2,174,940	136,948	103,231	4,490
Total current assets	<u>26,504,371</u>	<u>10,038,689</u>	<u>8,858,062</u>	<u>6,832,140</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	939,107	8,727	1,982,547	4,704,099
Capital assets, depreciable, net of accumulated depreciation	<u>33,731,328</u>	<u>13,544,919</u>	<u>28,272,737</u>	<u>51,953,134</u>
Total capital assets (net of accumulated depreciation)	<u>34,670,435</u>	<u>13,553,646</u>	<u>30,255,284</u>	<u>56,657,233</u>
Other Noncurrent Assets				
Due from other funds	-	735,990	-	-
Total other noncurrent assets	-	<u>735,990</u>	-	-
Total noncurrent assets:	<u>34,670,435</u>	<u>14,289,636</u>	<u>30,255,284</u>	<u>56,657,233</u>
Total assets	<u>\$ 61,174,806</u>	<u>\$ 24,328,325</u>	<u>\$ 39,113,346</u>	<u>\$ 63,489,373</u>
<b>Liabilities and Net Assets:</b>				
Current Liabilities:				
Accounts payable and accrued expenditures	\$ 7,550,671	\$ 727,915	\$ 176,636	\$ 402,280
Due to other funds	-	-	45,558	45,558
Current accrued compensated absences	192,332	45,292	110,726	80,231
Current maturities of long-term debt	<u>957,627</u>	<u>21,661</u>	<u>673,322</u>	<u>1,090,820</u>
Total current liabilities	<u>8,700,630</u>	<u>794,868</u>	<u>1,006,242</u>	<u>1,618,889</u>
Noncurrent Liabilities:				
Deposits	2,670,267	1,049,286	798,878	9,737
Accrued compensated absences	129,647	36,007	42,641	35,661
Due to other funds	-	-	367,995	367,995
Noncurrent portion of long-term debt	<u>2,618,355</u>	<u>130,845</u>	<u>3,036,134</u>	<u>8,340,071</u>
Total noncurrent liabilities	<u>5,418,269</u>	<u>1,216,138</u>	<u>4,245,648</u>	<u>8,753,464</u>
Total liabilities	<u>14,118,899</u>	<u>2,011,006</u>	<u>5,251,890</u>	<u>10,372,353</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	31,946,097	13,511,736	27,753,645	48,461,907
Unrestricted	<u>15,109,810</u>	<u>8,805,583</u>	<u>6,107,811</u>	<u>4,655,113</u>
Total net assets	<u>\$ 47,055,907</u>	<u>\$ 22,317,319</u>	<u>\$ 33,861,456</u>	<u>\$ 53,117,020</u>

**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>
\$ 2,102,331	\$ 28,045,139	\$ -
33,358	7,119,229	294,459
-	91,116	-
-	228,549	-
404,081	15,972,805	-
-	588,229	-
-	17,577	-
-	290,779	7,799
-	<u>2,419,609</u>	-
<u>2,539,770</u>	<u>54,773,032</u>	<u>302,258</u>
969,124	8,603,604	-
<u>1,795,823</u>	<u>129,297,941</u>	-
<u>2,764,947</u>	<u>137,901,545</u>	-
-	735,990	-
-	<u>735,990</u>	-
<u>2,764,947</u>	<u>138,637,535</u>	-
<u>\$ 5,304,717</u>	<u>\$ 193,410,567</u>	<u>\$ 302,258</u>
\$ 93,232	\$ 8,950,734	\$ 7,720
-	91,116	-
55,039	483,620	-
<u>183,381</u>	<u>2,926,811</u>	-
<u>331,652</u>	<u>12,452,281</u>	<u>7,720</u>
11,880	4,540,048	-
22,509	266,465	-
-	735,990	-
<u>726,412</u>	<u>14,851,817</u>	-
<u>760,801</u>	<u>20,394,320</u>	-
<u>1,092,453</u>	<u>32,846,601</u>	<u>7,720</u>
2,020,931	123,694,316	-
<u>2,191,333</u>	<u>36,869,650</u>	<u>294,538</u>
<u>\$ 4,212,264</u>	<u>\$ 160,563,966</u>	<u>\$ 294,538</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities</b>			
	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 94,371,459	\$ 24,063,284	\$ 11,424,381	\$ 11,641,154
Licenses and permits	-	-	46,990	37,111
Other operating revenues	1,653,748	16,235	191,954	139,382
Total operating revenues	<u>96,025,207</u>	<u>24,079,519</u>	<u>11,663,325</u>	<u>11,817,647</u>
<b>Operating Expenses:</b>				
Distribution systems	86,314,310	21,776,857	-	-
Treatment plants	-	-	5,395,289	6,190,571
Engineering	1,360,231	-	-	-
Support services	708,918	-	2,320,874	2,533,226
Energy services	1,538,285	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	1,807,757	584,880	1,315,169	1,823,129
Total operating expenses	<u>91,729,501</u>	<u>22,361,737</u>	<u>9,031,332</u>	<u>10,546,926</u>
Operating income (loss)	<u>4,295,706</u>	<u>1,717,782</u>	<u>2,631,993</u>	<u>1,270,721</u>
<b>Nonoperating Revenues (Expenses):</b>				
Other	-	-	52,750	-
Investment earnings	228,002	54,603	59,883	103,151
Interest expense	(118,038)	(3,516)	(127,755)	(337,681)
Appropriation to school system	(209,110)	(80,430)	(32,160)	-
Total nonoperating revenues (expenses)	<u>(99,146)</u>	<u>(29,343)</u>	<u>(47,282)</u>	<u>(234,530)</u>
Income (loss) before contributions and transfers	<u>4,196,560</u>	<u>1,688,439</u>	<u>2,584,711</u>	<u>1,036,191</u>
Capital contributions	318,300	-	91,233	300,815
Transfers from other funds	-	-	-	-
Transfers to other funds	(2,500,000)	(1,400,000)	(500,000)	(60,000)
Total contributions and transfers	<u>(2,181,700)</u>	<u>(1,400,000)</u>	<u>(408,767)</u>	<u>240,815</u>
Change in net assets	2,014,860	288,439	2,175,944	1,277,006
<b>Net Assets:</b>				
Beginning of year - July 1	<u>45,041,047</u>	<u>22,028,880</u>	<u>31,685,512</u>	<u>51,840,014</u>
End of year - June 30	<u>\$ 47,055,907</u>	<u>\$ 22,317,319</u>	<u>\$ 33,861,456</u>	<u>\$ 53,117,020</u>

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

**Exhibit H**

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities Internal Service Fund Risk Management</u>
\$ 3,351,376	\$ 144,851,654	\$ 5,984,220
-	84,101	-
730	2,002,049	-
<u>3,352,106</u>	<u>146,937,804</u>	<u>5,984,220</u>
-	108,091,167	-
-	11,585,860	-
-	1,360,231	-
699,043	6,262,061	-
-	1,538,285	-
2,120,368	2,120,368	-
-	-	4,696,144
-	-	1,361,610
234,698	5,765,633	-
<u>3,054,109</u>	<u>136,723,605</u>	<u>6,057,754</u>
<u>297,997</u>	<u>10,214,199</u>	<u>(73,534)</u>
-	52,750	-
26,199	471,838	-
(24,842)	(611,832)	-
-	(321,700)	-
<u>1,357</u>	<u>(408,944)</u>	<u>-</u>
<u>299,354</u>	<u>9,805,255</u>	<u>(73,534)</u>
14,838	725,186	-
300,000	300,000	-
(400,000)	(4,860,000)	-
<u>(85,162)</u>	<u>(3,834,814)</u>	<u>-</u>
214,192	5,970,441	(73,534)
<u>3,998,072</u>	<u>154,593,525</u>	<u>368,072</u>
<u>\$ 4,212,264</u>	<u>\$ 160,563,966</u>	<u>\$ 294,538</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 96,739,896	\$ 23,820,073	\$ 11,502,922	\$ 11,686,200
Payments to suppliers for goods and services	(85,304,072)	(20,332,008)	(4,888,543)	(6,535,291)
Payments to or on behalf of employees	(4,803,235)	(1,329,435)	(3,065,475)	(2,217,882)
Net cash provided (used) by operating activities	<u>6,632,589</u>	<u>2,158,630</u>	<u>3,548,904</u>	<u>2,933,027</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers to other funds - net	(2,500,000)	(1,400,000)	(500,000)	(60,000)
Transfer of debt to other funds	(374,000)	-	-	(374,000)
Payments from (to) other funds	-	87,968	(43,984)	(43,984)
Appropriation to school system	(209,110)	(80,430)	(32,160)	-
Net cash provided (used) by noncapital financing activities	<u>(3,083,110)</u>	<u>(1,392,462)</u>	<u>(576,144)</u>	<u>(477,984)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Debt Issued	952,000	-	736,233	896,000
Acquisition and construction of capital assets	(3,372,362)	(2,179,270)	(1,559,916)	(1,987,289)
Interest paid	(118,038)	(3,516)	(127,755)	(337,681)
Insurance recovery	-	-	52,750	-
Proceeds from grants and subsidies	318,300	-	91,233	300,815
Principal payments on long-term debt	(1,304,832)	(143,769)	(553,923)	(1,083,922)
Net cash provided (used) by capital and related financing activities	<u>(3,524,932)</u>	<u>(2,326,555)</u>	<u>(1,361,378)</u>	<u>(2,212,077)</u>
<b>Cash Flows From Investing Activities:</b>				
Investment earnings	228,002	54,603	59,883	103,151
Net cash provided (used) by investing activities	<u>228,002</u>	<u>54,603</u>	<u>59,883</u>	<u>103,151</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>252,549</u>	<u>(1,505,784)</u>	<u>1,671,265</u>	<u>346,117</u>
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year, July 1	<u>11,709,945</u>	<u>10,409,988</u>	<u>5,547,294</u>	<u>4,597,305</u>
End of year, June 30	<u>\$ 11,962,494</u>	<u>\$ 8,904,204</u>	<u>\$ 7,218,559</u>	<u>\$ 4,943,422</u>
Cash and cash equivalents/investments	\$ 8,761,839	\$ 7,852,887	\$ 5,497,104	\$ 3,830,978
Restricted cash and investments	3,200,655	1,051,317	1,721,455	1,112,444
	<u>\$ 11,962,494</u>	<u>\$ 8,904,204</u>	<u>\$ 7,218,559</u>	<u>\$ 4,943,422</u>

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

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

<b>Other Nonmajor Fund</b>		<b>Governmental Activities</b>	
<b>Storm Water Management</b>	<b>Total</b>	<b>Internal Service Fund</b>	<b>Risk Management</b>
\$ 3,193,719	\$ 146,942,810	\$ 5,982,168	
(952,178)	(118,012,092)	(6,209,002)	
<u>(1,931,080)</u>	<u>(13,347,107)</u>	<u>-</u>	
310,461	15,583,611	(226,834)	
(100,000)	(4,560,000)	-	
-	(748,000)	-	
-	-	-	
-	(321,700)	-	
<u>(100,000)</u>	<u>(5,629,700)</u>	<u>-</u>	
362,000	2,946,233	-	
(715,909)	(9,814,746)	-	
(24,842)	(611,832)	-	
-	52,750	-	
14,838	725,186	-	
<u>(257,503)</u>	<u>(3,343,949)</u>	<u>-</u>	
<u>(621,416)</u>	<u>(10,046,358)</u>	<u>-</u>	
26,199	471,838	-	
<u>26,199</u>	<u>471,838</u>	<u>-</u>	
(384,756)	379,391	(226,834)	
<u>2,520,445</u>	<u>34,784,977</u>	<u>521,293</u>	
\$ 2,135,689	\$ 35,164,368	\$ 294,459	
\$ 2,102,331	\$ 28,045,139	\$ -	
33,358	7,119,229	294,459	
<u>\$ 2,135,689</u>	<u>\$ 35,164,368</u>	<u>\$ 294,459</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, 2011**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ 4,295,706	\$ 1,717,782	\$ 2,631,993	\$ 1,270,721
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation and amortization	1,807,757	584,880	1,315,169	1,823,129
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in receivables and assessments	447,691	(244,608)	(135,746)	(132,833)
(Increase) decrease in inventories	87,088	(21,221)	16,977	2,565
Increase (decrease) in accounts payable and accrued expenses	(325,967)	125,507	(259,372)	(85,450)
Increase (decrease) in deposits	266,998	(14,838)	(24,657)	1,386
Increase (decrease) in accrued compensated absences and other accrued liabilities	53,316	11,128	4,540	53,509
Net cash provided (used) by operating activities	<u>\$ 6,632,589</u>	<u>\$ 2,158,630</u>	<u>\$ 3,548,904</u>	<u>\$ 2,933,027</u>

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

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

<b>Other Nonmajor Fund</b>		<b>Governmental Activities</b>
<b>Storm Water Management</b>	<b>Total</b>	<b>Internal Service Fund</b>
		<b>Risk Management</b>
\$ 297,997	\$ 10,214,199	\$ (73,534)
234,698	5,765,633	-
(162,292)	(227,788)	(2,052)
-	85,409	-
(69,647)	(614,929)	(151,248)
3,905	232,794	-
5,800	128,293	-
\$ 310,461	\$ 15,583,611	\$ (226,834)

*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, 2011**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 261,870
Total assets	<u>\$ 261,870</u>
<b>Liabilities:</b>	
Accounts payable	\$ 39
Due to other agencies	261,831
Total liabilities	<u>\$ 261,870</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, 2011

### 1. Summary of Significant Accounting Policies

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

#### Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 57,477 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

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

#### City of Rocky Mount Theatre, LLC

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

#### Basis of Presentation

*Government-Wide Statements:* The Statement of Net 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, 2011

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, 2011

Additionally, the City reports the following fund types:

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

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

### **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, 2011

*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 2010, through February 2011, apply to the fiscal year ended June 30, 2011. 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, 2011

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 Council 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 council adopts the plan at the same time the City's budget ordinance is approved.

Appropriations are made at the departmental level and amended as necessary by City Council. The budget information shown in the basic financial statements reports the original and final budget ordinance. The original budget data represents the annual budget ordinance adopted by the City Council for the year ended June 30, 2011. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2011. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011**

### **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 – 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, 2011

### **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. In accordance with State law {G.S. 136-41.1 through 136-41.4}, Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected.

#### **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, 2011, 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, 2011

### 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

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, 2011**

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.

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**

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 the laws or regulations of other governments or imposed by law through State Statute.

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### **Non-Spendable Fund Balance**

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

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

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

### **Restricted Fund Balance**

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

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

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

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

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

### **Committed Fund Balance**

This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Rocky Mount's governing body (highest level of decision making authority, the City Council). Any changes or removal of specific purpose restrictions requires majority action by the governing body.

*Committed for Capital Projects* – portion of fund balance committed for future capital projects.

*Committed for Community Revitalization* – portion of fund balance that has been committed by the council for activities related to Community Revitalization projects.

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### Assigned Fund Balance

Assigned fund balance is the portion of fund balance that the City of Rocky Mount intends to use for specific purposes. The City's governing body has the authority to assign fund balance.

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

*Assigned for Capital Projects* – portion of fund balance that has been assigned by the council for future capital project expenditures.

### Unassigned Fund Balance

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

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

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

Total fund balance - General Fund	\$ 18,944,626
<b>Less:</b>	
Inventories	355,546
Stabilization by State Statute	<u>6,327,636</u>
Total available fund balance	<u>\$ 12,261,444</u>

### 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, 2011

### 2. Deposits and Investments

#### Deposits

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

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

At June 30, 2011, the City's deposits had a carrying amount of \$24,341,607 and a bank balance of approximately \$25,418,125. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$24,168,125 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 \$40,622 comprised of a bank balance of \$40,522 and cash on hand of \$100.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 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, 2011, the City had \$33,854,301 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	\$ 33,854,301	\$ 33,854,301	N/A

Total cash and investments of \$58,205,083 reported by the City include cash on hand of \$9,175 and \$261,870 held by the City in the agency fund, Community Development and Governmental Activities Fund.

At June 30, 2011, the City had \$4,278,097 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 \$294,459 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, 2011

### 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, 2011, are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2011</u>
<b>Governmental Activities:</b>	
Ad valorem taxes	\$ 1,428,844
Planning loans	7,706,102
Miscellaneous	722,667
Customers	<u>99,878</u>
Total governmental activities	<u>9,957,491</u>
<b>Business-Type Activities:</b>	
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>\$ 12,191,458</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### Accounts Receivable

At June 30, 2011, funds due from other governmental agencies and business-type activities consisted of the following:

<b>Governmental Activities:</b>	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Sales tax refund	\$ 948,841	\$ -	\$ 948,841
Vehicle fee	216,676	-	216,676
Local option tax	1,460,420	-	1,460,420
Grants receivable	58,070	782,547	840,617
Franchise tax	155,462	-	155,462
Miscellaneous receivable	26,142	69	26,211
	\$ 2,865,611	\$ 782,616	\$ 3,648,227

### Business-Type Activities:

	<b>Total</b>
Electric	\$ 372,077
Sewer	216,152
	\$ 588,229

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 4. Capital Assets

#### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2011, was as follows:

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 7,658,743	\$ 902,169	\$ 48,788	\$ -	\$ 8,512,124
Construction in progress	1,951,700	770,976	-	(1,332,462)	1,390,214
Total capital assets not being depreciated	9,610,443	1,673,145	48,788	(1,332,462)	9,902,338
<b>Capital Assets Being Depreciated:</b>					
Land improvements	20,121,876	277,690	-	-	20,399,566
Buildings	50,272,618	670,910	-	995,613	51,939,141
Equipment	39,304,909	4,576,614	2,160,866	505,430	42,226,086
Infrastructure	43,187,273	3,195,421	-	336,849	46,719,543
Total capital assets being depreciated	152,886,676	8,720,635	2,160,866	1,837,892	161,284,336
<b>Less Accumulated Depreciation for:</b>					
Land improvements	4,824,561	776,594	-	-	5,601,155
Buildings	17,184,243	1,055,026	-	-	18,239,269
Equipment	29,741,073	2,686,058	2,157,711	497,339	30,766,760
Infrastructure	11,488,520	612,482	-	-	12,101,002
Total accumulated depreciation	63,238,397	<u>\$ 5,130,160</u>	<u>\$ 2,157,711</u>	<u>\$ 497,339</u>	66,708,186
Total capital assets being depreciated, net	89,648,279				94,576,150
Governmental activities capital assets, net	<u>\$ 99,258,722</u>				<u>\$ 104,478,488</u>

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

General government	\$ 816,068
Public works	1,398,362
Public safety	1,039,776
Transit	414,211
Planning	43,855
Recreation	1,157,213
Airport	260,675
Total	<u>\$ 5,130,160</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Capital asset activity for the business-type activities for the year ended June 30, 2011, was as follows:

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Electric Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 112,441	\$ 109,343	\$ -	\$ (1)	\$ 221,783
Construction in progress	<u>2,295,675</u>	<u>505,743</u>	<u>-</u>	<u>(2,084,094)</u>	<u>717,324</u>
Total capital assets not being depreciated	<u>2,408,116</u>	<u>615,086</u>	<u>-</u>	<u>(2,084,095)</u>	<u>939,107</u>
<b>Capital Assets Being Depreciated:</b>					
Land improvements	408,908	-	-	-	408,908
Buildings	6,355,844	14,990	-	-	6,370,834
Equipment	30,079,644	1,500,252	1,366,121	(268,923)	29,944,852
Infrastructure	<u>24,577,553</u>	<u>1,285,956</u>	<u>-</u>	<u>2,084,094</u>	<u>27,947,603</u>
Total capital assets being depreciated	<u>61,421,949</u>	<u>2,801,198</u>	<u>1,366,121</u>	<u>1,815,171</u>	<u>64,672,197</u>
<b>Less Accumulated Depreciation:</b>					
Land improvements	208,700	14,709	-	-	223,409
Buildings	3,184,749	148,398	-	-	3,333,147
Equipment	21,216,326	1,167,552	1,330,288	(260,834)	20,792,756
Infrastructure	<u>6,114,459</u>	<u>477,098</u>	<u>-</u>	<u>-</u>	<u>6,591,557</u>
Total accumulated depreciation	<u>30,724,234</u>	<u>1,807,757</u>	<u>1,330,288</u>	<u>(260,834)</u>	<u>30,940,869</u>
Total capital assets being depreciated, net	<u>30,697,715</u>	<u>993,441</u>	<u>35,833</u>	<u>2,076,005</u>	<u>33,731,328</u>
Electric Fund capital assets, net	<u>\$ 33,105,831</u>	<u>\$ 1,608,527</u>	<u>\$ 35,833</u>	<u>\$ (8,089)</u>	<u>\$ 34,670,435</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Gas Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 8,727	\$ -	\$ -	\$ -	\$ 8,727
Construction in progress	326,520	-	-	(326,520)	-
Total capital assets not being depreciated	<u>335,247</u>	<u>-</u>	<u>-</u>	<u>(326,520)</u>	<u>8,727</u>
<b>Capital Assets Being Depreciated:</b>					
Land improvements	11,425	-	-	-	11,425
Buildings	328,550	-	-	-	328,550
Equipment	7,146,702	1,198,692	-	310,077	8,655,471
Infrastructure	8,803,901	980,578	-	-	9,784,479
Total capital assets being depreciated	<u>16,290,578</u>	<u>2,179,270</u>	<u>-</u>	<u>310,077</u>	<u>18,779,925</u>
<b>Less Accumulated Depreciation:</b>					
Land improvements	495	457	-	-	952
Buildings	105,209	6,243	-	-	111,452
Equipment	3,525,439	460,748	-	(16,443)	3,969,744
Infrastructure	1,035,426	117,432	-	-	1,152,858
Total accumulated depreciation	<u>4,666,569</u>	<u>584,880</u>	<u>-</u>	<u>(16,443)</u>	<u>5,235,006</u>
Total capital assets being depreciated, net	<u>11,624,009</u>	<u>1,594,390</u>	<u>-</u>	<u>326,520</u>	<u>13,544,919</u>
Gas Fund capital assets, net	<u>\$ 11,959,256</u>	<u>\$ 1,594,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,553,646</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Water Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 805,580	\$ 45,924	\$ -	\$ 2	\$ 851,506
Construction in progress	<u>915,152</u>	<u>654,378</u>	<u>-</u>	<u>(438,489)</u>	<u>1,131,041</u>
Total capital assets not being depreciated	<u>1,720,732</u>	<u>700,302</u>	<u>-</u>	<u>(438,487)</u>	<u>1,982,547</u>
 <b>Capital Assets Being Depreciated:</b>					
Land improvements	9,102,875	3,520	-	-	9,106,395
Buildings	12,269,960	108,234	-	-	12,378,194
Equipment	6,313,152	512,206	220,261	311,147	6,916,244
Infrastructure	<u>25,916,408</u>	<u>230,953</u>	<u>-</u>	<u>103,269</u>	<u>26,250,630</u>
Total capital assets being depreciated	<u>53,602,395</u>	<u>854,913</u>	<u>220,261</u>	<u>414,416</u>	<u>54,651,463</u>
 <b>Less Accumulated Depreciation:</b>					
Land improvements	6,801,449	438,227	-	-	7,239,677
Buildings	5,317,729	246,441	-	-	5,564,170
Equipment	5,165,923	283,199	220,261	(28,774)	5,200,087
Infrastructure	<u>8,027,490</u>	<u>347,302</u>	<u>-</u>	<u>-</u>	<u>8,374,792</u>
Total accumulated depreciation	<u>25,312,591</u>	<u>1,315,169</u>	<u>220,261</u>	<u>(28,774)</u>	<u>26,378,726</u>
Total capital assets being depreciated, net	<u>28,289,804</u>	<u>(460,256)</u>	<u>-</u>	<u>443,190</u>	<u>28,272,737</u>
 Water Fund capital assets, net	 <u>\$ 30,010,536</u>	 <u>\$ 240,046</u>	 <u>\$ -</u>	 <u>\$ 4,701</u>	 <u>\$ 30,255,284</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Sewer Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 693,510	\$ 50,355	\$ -	\$ -	\$ 743,865
Construction in progress	<u>2,527,640</u>	<u>1,482,506</u>	<u>-</u>	<u>(49,912)</u>	<u>3,960,234</u>
Total capital assets not being depreciated	<u>3,221,150</u>	<u>1,532,861</u>	<u>-</u>	<u>(49,912)</u>	<u>4,704,099</u>
<b>Capital Assets Being Depreciated:</b>					
Land improvements	2,180,163	-	13,000	-	2,167,163
Buildings	43,717,406	2,664	12,074	-	43,707,996
Equipment	20,738,620	215,745	3,280	(27,460)	20,923,625
Infrastructure	<u>26,130,683</u>	<u>242,261</u>	<u>-</u>	<u>49,912</u>	<u>26,422,856</u>
Total capital assets being depreciated	<u>92,766,872</u>	<u>460,670</u>	<u>28,354</u>	<u>22,452</u>	<u>93,221,640</u>
<b>Less Accumulated Depreciation:</b>					
Land improvements	2,116,215	2,490	13,000	-	2,105,705
Buildings	15,116,732	771,466	12,074	-	15,876,124
Equipment	13,910,489	700,789	1,738	(22,760)	14,586,780
Infrastructure	<u>8,351,514</u>	<u>348,383</u>	<u>-</u>	<u>-</u>	<u>8,699,897</u>
Total accumulated depreciation	<u>39,494,950</u>	<u>1,823,129</u>	<u>26,812</u>	<u>(22,760)</u>	<u>41,268,506</u>
Total capital assets being depreciated, net	<u>53,271,922</u>	<u>(1,362,459)</u>	<u>1,542</u>	<u>45,212</u>	<u>51,953,134</u>
Sewer Fund capital assets, net	<u>\$ 56,493,072</u>	<u>\$ 170,402</u>	<u>\$ 1,542</u>	<u>\$ (4,700)</u>	<u>\$ 56,657,233</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
<b>Storm Water Management Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 209,589	\$ -	\$ -	\$ -	\$ 209,589
Construction in progress	405,990	293,921	-	59,624	759,535
Total capital assets not being depreciated	615,579	293,921	-	59,624	969,124
<b>Capital Assets Being Depreciated:</b>					
Land improvements	17,300	-	-	-	17,300
Buildings	65,000	-	-	-	65,000
Equipment	2,622,367	421,988	10,500	(168,530)	2,865,325
Infrastructure	704,641	-	-	(59,624)	645,017
Total capital assets being depreciated	3,409,308	421,988	10,500	(228,154)	3,592,642
<b>Less Accumulated Depreciation:</b>					
Land improvements	2,191	692	-	-	2,883
Buildings	2,708	1,300	-	-	4,008
Equipment	1,703,260	223,418	10,500	(168,530)	1,747,648
Infrastructure	32,992	9,288	-	-	42,280
Total accumulated depreciation	1,741,151	234,698	10,500	(168,530)	1,796,819
Total capital assets being depreciated, net	1,668,157	187,290	-	(59,624)	1,795,823
Total Storm Water Management Fund capital assets, net	\$ 2,283,736	\$ 481,211	\$ -	\$ -	\$ 2,764,947

### Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2010, was as follows:

#### Governmental Activities:

Capital assets	\$ 8,770,144	\$ -	\$ 210,590	\$ 8,559,554
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# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2011, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts and vouchers	\$ 826,917	\$ 8,441,866	\$ 9,268,783
Claims incurred but not reported	258,378	59,500	317,878
Accrued payroll and related liabilities	1,897,114	449,368	2,346,482
Customer deposits	449,894	4,540,048	4,989,942
Total accounts payable and accrued liabilities	<u>\$ 3,432,303</u>	<u>\$ 13,490,782</u>	<u>\$ 16,923,085</u>

### 6. Pension Plan Obligations

#### Local Government Employees' Retirement System

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

**Funding Policy.** Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.44% and 6.41% 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, 2011, 2010, and 2009 were \$2,661,035, \$1,997,580, and \$1,859,460 respectively.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 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, 2010, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>165</u>
Total	<u><u>184</u></u>

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

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

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

The annual required contribution for the fiscal year ended June 30, 2011, 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, 2009, was 21 years.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

**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	\$	404,360
Interest on net pension obligation		35,001
Adjustment to annual required contribution		<u>(37,477)</u>
Annual pension cost		401,884
Contributions made		<u>291,695</u>
Increase in net pension obligation		110,189
Net pension obligation, beginning of year		<u>700,025</u>
Net pension obligation, end of year	\$	<u><u>810,214</u></u>

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of of APC Contributed	Net Pension Obligation
6/30/2009	\$ 284,443	88.25%	\$ 626,378
6/30/2010	302,804	75.68%	700,025
6/30/2011	401,884	72.58%	810,214

**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 \$3,848,097, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,848,097.

The covered payroll (annual payroll of active employees covered by the plan) was \$7,853,868 and the ratio of the UAAL to the covered payroll was 49 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, 2011

### Supplemental Retirement Income Plan

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

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

The City's contributions were calculated using a covered payroll amount of \$7,912,320 for employees engaged in law enforcement and \$32,145,375 for all other full-time employees. Total contributions for the year ended June 30, 2011, were \$1,681,431, which consisted of \$395,616 for employees engaged in law enforcement and \$1,285,815 for all other employees. Voluntary contributions made by all City employees totaled \$782,276.

### 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 \$18,389 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2011.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### Other Post-Employment Benefits

**Plan Description.** The City (by local ordinance) administers a single-employer defined benefit plan which provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following criteria. For a disability retiree to be covered under the health plan, the retiree must have at least five years of creditable service with the City (with the exception of Law Enforcement – one year and in the line of duty injury) and the retirement must be due to a medical condition, which is subject to review by the North Carolina Medical Review Board. In addition, the City pays a portion of the coverage for these benefits for retirees with a minimum of thirty years of creditable service with the City. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the City for eighteen months. The entire cost of this insurance is borne by the retirees. The City maintains health care coverage through a combination of self-insurance and private insurers (see Risk Management Note). The City Council may amend benefit provisions. A separate report was not issued for the plan.

Membership of the post employment health benefit plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	190
Active members	<u>899</u>
	<u>1,089</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 \$365.85 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, 75% for 20-29 years, and 50% for 15-19 years of service. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. 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 5.9% of annual covered payroll. For fiscal year 2011, the City contributed \$1,854,892, or 4.5% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2011, 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, 2011

### 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	142,803
Adjustment to annual required contribution	<u>(136,421)</u>
Annual OPEB cost (expense)	2,422,912
Contributions made	<u>1,854,892</u>
Increase (decrease) in net OPEB obligation	568,020
Net OPEB obligation, beginning of year	<u>3,570,064</u>
Net OPEB obligation, end of year	<u>\$ 4,138,084</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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>
2009	\$ 2,931,981	50.20%	\$ 2,529,885
2010	2,430,420	57.20%	3,570,064
2011	2,422,912	76.60%	4,138,084

As of December 31, 2010, 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 \$27,043,309. The covered payroll (annual payroll of active employees covered by the plan) was \$41,186,985, and the ratio of the UAAL to the covered payroll was 65.7%. 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, 2011

### **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, 2010, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.00% and (b) a 10.50% - 5.00% medical cost trend rate with 2018, the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2010, 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, 2011, the City made contributions to the State for death benefits of \$41,179. 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, 2011

### 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 \$1,687,892 to the plans for the year ended June 30, 2011.

### 7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$850,000 for the year ended June 30, 2011. The City leases property under non-cancelable operating leases. The future minimum lease payments under these agreements are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2012	850,000
2013	850,000
2014	850,000
2015	850,000
2016	850,000
2017-2021	4,250,000
2022-2024	<u>2,550,000</u>
	<u>\$ 11,050,000</u>

### 8. Deferred/Unearned Revenues

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

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable (General Fund)	\$ 2,152,407	\$ -
Accounts receivable (General Fund)	393,920	-
Assessments (General Fund)	2,398,097	-
Accounts receivable (other governmental funds)	9,476	-
Prepaid items (General Fund)	<u>1,219,941</u>	<u>1,219,941</u>
Total	<u>\$ 6,173,841</u>	<u>\$ 1,219,941</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 9. Commitments

#### Construction

The City had outstanding commitments at June 30, 2011, of approximately \$39,448 for the Kingston Road project, Southern Connector, \$27,682 for the Downtown Streetscape design project, \$56,826 for the 301 N Wesleyan Boulevard street lighting, \$68,312 for the Hunter Hill road widening, \$93,761 for the Atlantic Avenue electric distribution lines, \$598,389 for water and sewer annexation improvements along NC 97 and Cooley Road, \$125,485 Leggett Park water and sewer project, \$411,627 for the Hornbeam Branch and Church Street extension, and \$147,500 for the Wastewater Treatment Plant oxygen system. 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, 2011

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 \$317,878 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$298,500.

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 2011 and 2010 are summarized as follows:

Possible Claims and Judgments	2011	2010
Balance, beginning	\$ 394,878	\$ 332,974
Current year claims and changes in estimates	501,300	640,515
Claim payments	<u>(578,300)</u>	<u>(578,611)</u>
Balance, ending	<u>\$ 317,878</u>	<u>\$ 394,878</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2011, consist of the following:

#### Long Term Debt:

	Serviced By	
	Governmental Activities	Business-Type Activities
<b>Installment Purchases:</b>		
Building; due in monthly installments of \$85,989; maturing June 2019; interest at 4.16% (LGC)	\$ 7,010,823	\$ -
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21% (LGC)	175,519	2,914,542
Building; due in monthly installments of \$14,593 plus interest; maturing May 2013; interest at 2.44% (LGC)	68,220	267,424
Improvements; due in monthly installments of \$25,305 plus interest; maturing April 2016; interest at 2.04% (LGC)	718,610	749,085
Improvements; due in monthly installments of \$54,220 plus interest; maturing April 2014; interest at 2.94% (LGC)	1,008,850	834,642
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	351,782	625,926
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	5,232,388
Equipment; due in monthly installments of \$6,525 plus interest; maturing May 2013; interest at 2.44%	150,085	-
Equipment; due in monthly installments of \$104,026 maturing April 2014; interest at 1.53%	1,479,926	1,979,224
Equipment; due in monthly installments of \$8,337; maturing October 2013; interest at 2.713%	149,305	-
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	796,133	-
Equipment; due in semi-annual installments of \$237,189; maturing January 2013; interest at 2.84%, after BAB rebate 1.85%	567,858	348,151
Total installment purchases	\$ 12,477,111	\$ 12,951,382

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### Other Long-Term Debt:

HUD Section 108 Loan Guarantee - Douglas Block Project	\$ 2,655,000	\$ -
YMCA - Building purchase agreement	700,000	-
Other - NCDOT	492,785	-
Other - NCDENR (LGC)	-	3,835,026
Subtotal	<u>3,847,785</u>	<u>3,835,026</u>
Unfunded Special Separation Allowance	810,214	-
Other post-employment benefits	<u>3,145,864</u>	<u>992,220</u>
Total other long-term debt	<u>7,803,863</u>	<u>4,827,246</u>
Total outstanding	20,280,974	17,778,628
Less current portion	<u>3,067,246</u>	<u>2,926,811</u>
	<u>\$ 17,213,728</u>	<u>\$ 14,851,817</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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)	416,870
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	3,182,686
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	<u>235,470</u>
	<u>\$ 3,835,026</u>

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

### Changes in Long-Term Debt

The following is a summary of changes in the City’s long-term debt for the year ended June 30, 2011:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>						
Installment purchases	\$ 12,068,881	\$ 2,296,000	\$ 2,635,771	\$ 748,000	\$ 12,477,111	\$ 2,423,766
Unfunded Special						
Separation Allowance	700,025	401,884	291,695	-	810,214	291,695
HUD Loan	2,389,661	410,339	145,000	-	2,655,000	145,000
YMCA	900,000	-	200,000	-	700,000	200,000
Other	521,108	(1,389)	26,934	-	492,785	6,785
Other post-employment benefits	2,710,852	435,012	-	-	3,145,864	-
Compensated absences	<u>3,708,505</u>	<u>2,069,159</u>	<u>2,145,870</u>	<u>-</u>	<u>3,631,794</u>	<u>2,145,871</u>
Total	<u>\$ 22,999,032</u>	<u>\$ 5,611,005</u>	<u>\$ 5,445,270</u>	<u>\$ 748,000</u>	<u>\$ 23,912,768</u>	<u>\$ 5,213,117</u>
<b>Business-Type Activities:</b>						
Installment purchases	\$ 13,958,946	\$ 2,855,000	\$ 3,114,564	\$ (748,000)	\$ 12,951,382	\$ 2,697,425
Other	3,973,180	91,233	229,385	-	3,835,026	229,386
Other post-employment benefits	859,212	133,008	-	-	992,220	-
Compensated absences	<u>754,799</u>	<u>478,905</u>	<u>483,619</u>	<u>-</u>	<u>750,085</u>	<u>483,620</u>
Total	<u>\$ 19,546,137</u>	<u>\$ 3,558,146</u>	<u>\$ 3,827,568</u>	<u>\$ (748,000)</u>	<u>\$ 18,528,713</u>	<u>\$ 3,410,431</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 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, 2011, including interest, are as follows:

<b>Governmental Activities:</b>				
2012	\$ 2,423,766	\$ 410,733	\$ 351,785	\$ 80,823
2013	2,422,077	337,560	245,000	79,794
2014	1,875,799	268,161	407,000	78,199
2015	1,177,303	216,261	407,000	75,922
2016	1,146,903	170,463	407,000	73,022
2017-2021	3,431,263	242,924	825,000	304,037
2022-2026	-	-	725,000	175,560
2027-2029	-	-	480,000	33,024
Total governmental activities	<u>12,477,111</u>	<u>1,646,102</u>	<u>3,847,785</u>	<u>900,381</u>
<b>Business-Type Activities:</b>				
2012	2,697,425	429,148	229,386	82,553
2013	2,747,533	349,356	229,386	77,581
2014	2,333,793	270,608	229,386	72,609
2015	1,548,288	206,125	229,386	67,637
2016	785,059	160,410	229,386	62,665
2017-2021	2,839,284	308,727	1,146,930	238,748
2022-2026	-	-	1,117,160	114,450
2027-2030	-	-	424,006	12,945
Total business-type activities	<u>12,951,382</u>	<u>1,724,374</u>	<u>3,835,026</u>	<u>729,188</u>
<b>Total</b>	<u>\$ 25,428,493</u>	<u>\$ 3,370,476</u>	<u>\$ 7,682,811</u>	<u>\$ 1,629,569</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, 2011, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$310,081,935.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 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, 2011, 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, 2011, are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Receivable Fund</u>
	<u>General</u>	<u>Gas</u>
Entitlement Grants	\$ 57,594	\$ -
Water	-	413,553
Sewer	-	413,553
	<u>\$ 57,594</u>	<u>\$ 827,106</u>

The amounts due to the General Fund from the nonmajor governmental funds represents \$57,594 cash advances to cover expenses in the special revenue fund. Amounts due to the Gas fund represent \$413,553 remaining in cash advances to cover expenses in both the Water and Sewer funds from fiscal year 2009.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 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	\$ -	\$ 857,233	\$ 300,000	\$ 1,157,233
Nonmajor Governmental Funds	589,431	102,487	-	691,918
Electric Fund	1,500,000	1,374,000	-	2,874,000
Gas Fund	1,400,000	-	-	1,400,000
Sewer Fund	-	434,000	-	434,000
Stormwater Fund	-	400,000	-	400,000
Water Fund	250,000	250,000	-	500,000
<b>Total</b>	<u>\$ 3,739,431</u>	<u>\$ 3,417,720</u>	<u>\$ 300,000</u>	<u>\$ 7,457,151</u>

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

Electric, Gas, and Water Fund transfers to the General Fund are transfers which represent a return on the investment of the utility. These transfers are made within guidelines established in the City's administrative policy. Currently, the Electric Fund may transfer a maximum of 3% of the fund's gross fixed assets; the Gas Fund may transfer a maximum of 75% of the fund's income before transfers; and the Water Fund may transfer a maximum of 50% of income before transfers. The transfers from the Electric, Water, Sewer, and Stormwater to nonmajor governmental funds represent each utility's cost share of the Downtown Streetscape project, and the transfers from Electric and Sewer represents a transfer of debt to nonmajor governmental funds.

### 13. Jointly Governed Organizations

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

#### **Braswell Memorial Library**

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve-member Council of Trustees of the Library. The City appoints three of the twelve Council members. The City contributed \$650,776 to the library's operating purposes during the year ended June 30, 2011.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### **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, 2010, \$2,396,330,000 of the bonds were outstanding (plus unamortized premium of \$28,704,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

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

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

### **14. Joint Ventures**

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

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven-member council of commissioners of the Authority. The City appoints two of the seven Council members. The City has an ongoing financial responsibility for the airport and contributed \$95,712 to the Authority for operating purposes and capital outlay during the year ended June 30, 2011. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,693,921 (cost of \$13,058,062 less accumulated depreciation of \$5,364,141) has been reflected in the City's Statement

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

of Net Assets as capital assets at June 30, 2011. The current year increase in the investment of \$153,595 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, 2011. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

### 15. Related Organization

#### Rocky Mount Housing Authority

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low income families who cannot afford private housing. The mayor of the City appoints the entire Council of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2011, this payment totaled \$21,698.

### 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 \$10,585,195 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 \$580,103 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, 2011, 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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

NC Department of Environmental and Natural Resources (NCDENR) approved remedial investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. A remedial investigation (RI) work plan was developed, and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis. NCDENR approved the consultant's recommendation for a more in depth RI, and a remedial action plan (RAP) was developed and submitted to NCDENR for approval. As of June 30, 2011 the City has paid \$121,984 in costs for remediation. It is anticipated that the RAP will be completed and the City will be in the Post-Remedial monitoring phase by the end of the calendar year 2011.

### **Appropriation to School System**

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

The Council was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$321,700 for the year ended June 30, 2011.

### **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, 2011

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

Long-term debt at December 31, 2010, 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, 2010, 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, 2010, 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, 2011

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A			
12/31/01	-	\$ 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%
12/31/10	-	3,848,097	3,848,097	0.00%	7,853,868	49.00%

## Schedule of Employer Contribution:

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%
2011	404,360	72.14%

## 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 closed	
Remaining amortization period	21 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5.00%	* 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, 2011**Schedule of Funding Progress**

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

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	2,532,013	57.75%
2009	2,926,108	50.30%
2010	2,416,530	57.53%
2011	2,416,530	76.76%

## 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	12/31/2010	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 10.5%	
Year of Ultimate trend rate	2018	

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

The General Fund is established to account for the revenues and expenditures traditionally associated with operating governmental service functions, except for those resources required to be accounted for in another fund.



**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>2011</b>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
<b>Taxes:</b>			
<b>Ad Valorem Taxes:</b>			
Current year	\$ 21,150,000	\$ 20,602,156	\$ (547,844)
Prior years	430,000	468,635	38,635
Penalties and interest	<u>190,000</u>	<u>191,850</u>	<u>1,850</u>
Total	<u>21,770,000</u>	<u>21,262,641</u>	<u>(507,359)</u>
<b>Intergovernmental Revenues:</b>			
Payment in lieu of taxes	1,255,020	1,256,718	1,698
Local option sales tax	9,635,000	8,866,679	(768,321)
Telecommunications tax	1,000,000	835,047	(164,953)
Franchise tax	2,975,000	3,019,976	44,976
Tax refunds	30,000	93,872	63,872
Beer and wine tax	260,000	265,409	5,409
ABC revenues	80,000	67,574	(12,426)
Court facilities fees	175,000	156,065	(18,935)
State grants	2,051,500	1,809,070	(242,430)
On behalf payments - fire	-	18,389	18,389
Other	<u>740,000</u>	<u>744,812</u>	<u>4,812</u>
Total	<u>18,201,520</u>	<u>17,133,611</u>	<u>(1,067,909)</u>
<b>Licenses, Permits and Other Taxes:</b>			
Privilege licenses	120,000	141,402	21,402
Buildings permits and inspection fees	493,350	436,460	(56,890)
Rental vehicle tax	45,000	54,363	9,363
Animal tax	26,500	23,131	(3,369)
Other	<u>232,500</u>	<u>228,265</u>	<u>(4,235)</u>
Total	<u>917,350</u>	<u>883,621</u>	<u>(33,729)</u>
<b>Sales and Service:</b>			
Solid waste and recycling charge	3,502,500	3,420,500	(82,000)
Reconnection charges	310,000	231,885	(78,115)
Weed control charges	55,000	53,650	(1,350)
Cemetery revenues	143,000	147,068	4,068
Sale of fixed assets	137,000	481,724	344,724
Recreation department fee	716,820	750,378	33,558
Traffic maintenance charges	15,000	7,148	(7,852)
Transfer station charges	2,350,000	2,093,756	(256,244)
Concessions	161,000	169,429	8,429
Other	<u>703,560</u>	<u>422,227</u>	<u>(281,333)</u>
Total	<u>8,093,880</u>	<u>7,777,765</u>	<u>(316,115)</u>
Investment Earnings	<u>197,251</u>	<u>82,552</u>	<u>(114,699)</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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Miscellaneous:</b>			
Insurance	15,600	20,829	5,229
Demolition assessment	66,000	59,671	(6,329)
Excess utility tax	450,000	411,117	(38,883)
Rents	238,800	235,122	(3,678)
Contributions	1,154,938	1,186,354	31,416
Parking	11,100	3,024	(8,076)
Other	216,350	322,204	105,854
<b>Total</b>	<b>2,152,788</b>	<b>2,238,321</b>	<b>85,533</b>
Total revenues	51,332,789	49,378,511	(1,954,278)
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Mayor and City Council:</b>			
Salaries	66,081	66,080	1
Employee benefits	51,909	43,675	8,234
Operating expenses	626,821	417,446	209,375
Utility service fee	(242,400)	(242,400)	-
<b>Total</b>	<b>502,411</b>	<b>284,801</b>	<b>217,610</b>
<b>City Clerk:</b>			
Salaries	186,119	186,119	-
Employee benefits	50,841	49,953	888
Operating expenses	44,080	32,093	11,987
Capital outlay	18,000	-	18,000
Utility service fee	(104,600)	(104,600)	-
<b>Total</b>	<b>194,440</b>	<b>163,565</b>	<b>30,875</b>
<b>Community Services:</b>			
Operating expenses	834,060	833,469	591
Utility service fee	(368,100)	(368,100)	-
<b>Total</b>	<b>465,960</b>	<b>465,369</b>	<b>591</b>
<b>City Manager:</b>			
Salaries	632,987	604,169	28,818
Employee benefits	150,850	136,853	13,997
Operating expenses	82,493	71,845	10,648
Utility service fee	(332,300)	(332,300)	-
<b>Total</b>	<b>534,030</b>	<b>480,567</b>	<b>53,463</b>

**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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Public Affairs:</b>			
Salaries	123,710	118,829	4,881
Employee benefits	36,640	34,472	2,168
Operating expenses	35,100	13,522	21,578
Capital outlay	10,400	5,879	4,521
Utility service fee	(78,100)	(78,100)	-
<b>Total</b>	<b>127,750</b>	<b>94,602</b>	<b>33,148</b>
<b>Downtown Development:</b>			
Salaries	62,375	62,374	1
Employee benefits	19,805	15,157	4,648
Operating expenses	105,150	95,233	9,917
Utility service fee	(54,900)	(54,900)	-
<b>Total</b>	<b>132,430</b>	<b>117,864</b>	<b>14,566</b>
<b>Finance:</b>			
<b>Administration:</b>			
Salaries	196,924	196,923	1
Employee benefits	52,574	52,574	-
Operating expenses	786,671	695,282	91,389
Utility service fee	(952,700)	(944,779)	(7,921)
<b>Total</b>	<b>83,469</b>	<b>-</b>	<b>83,469</b>
<b>Accounting:</b>			
Salaries	436,205	436,204	1
Employee benefits	115,070	113,205	1,865
Operating expenses	42,395	36,584	5,811
Utility service fee	(522,100)	(522,100)	-
<b>Total</b>	<b>71,570</b>	<b>63,893</b>	<b>7,677</b>
<b>Purchasing:</b>			
Salaries	344,180	336,934	7,246
Employee benefits	96,660	94,295	2,365
Operating expenses	45,580	31,440	14,140
Utility service fee	(435,800)	(435,800)	-
<b>Total</b>	<b>50,620</b>	<b>26,869</b>	<b>23,751</b>
<b>Utility Billing:</b>			
Salaries	1,874,380	1,860,965	13,415
Employee benefits	582,100	510,597	71,503
Operating expenses	548,220	404,970	143,250
Capital outlay	61,000	57,346	3,654
Utility service fee	(2,899,720)	(2,833,878)	(65,842)
<b>Total</b>	<b>165,980</b>	<b>-</b>	<b>165,980</b>

**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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Information Systems:</b>			
Salaries	624,310	601,682	22,628
Employee benefits	148,740	144,219	4,521
Operating expenses	832,460	655,335	177,125
Capital outlay	285,000	164,887	120,113
Utility service fee	(1,645,500)	(1,566,123)	(79,377)
Total	<u>245,010</u>	<u>-</u>	<u>245,010</u>
Total finance	<u>616,649</u>	<u>90,762</u>	<u>525,887</u>
<b>Central Services:</b>			
<b>Municipal Building:</b>			
Salaries	301,610	295,223	6,387
Employee benefits	90,530	85,540	4,990
Operating expenses	648,020	634,059	13,961
Capital outlay	25,000	12,194	12,806
Utility service fee	(592,000)	(592,000)	-
Total	<u>473,160</u>	<u>435,016</u>	<u>38,144</u>
<b>Print Shop:</b>			
Operating expenses	259,500	188,629	70,871
Utility service fee	(129,800)	(129,800)	-
Total	<u>129,700</u>	<u>58,829</u>	<u>70,871</u>
<b>Judicial Center:</b>			
Salaries	120,279	110,164	10,115
Employee benefits	29,881	29,880	1
Operating expenses	107,100	99,439	7,661
Capital outlay	13,580	13,332	248
Total	<u>270,840</u>	<u>252,815</u>	<u>18,025</u>
Total central services	<u>873,700</u>	<u>746,660</u>	<u>127,040</u>
<b>Planning and Development:</b>			
<b>Planning Administration:</b>			
Salaries	441,340	435,230	6,110
Employee benefits	119,500	117,628	1,872
Operating expenses	41,850	27,042	14,808
Total	<u>602,690</u>	<u>579,900</u>	<u>22,790</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	2011		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Inspections:</b>			
Salaries	494,670	494,210	460
Employee benefits	138,900	129,629	9,271
Operating expenses	71,492	46,557	24,935
Total	705,062	670,396	34,666
<b>CDBG Entitlement Grant:</b>			
Salaries	192,680	191,880	800
Employee benefits	61,421	61,420	1
Operating expenses	9,040	5,134	3,906
Total	263,141	258,434	4,707
<b>Neighborhood Redevelopment:</b>			
Operating expenses	943,600	879,288	64,312
Capital outlay	35,000	35,000	-
Total	978,600	914,288	64,312
Total planning and development	2,549,493	2,423,018	126,475
<b>Human Resources:</b>			
Salaries	568,434	564,780	3,654
Employee benefits	776,580	740,314	36,266
Operating expenses	246,009	89,489	156,520
Utility service fee	(702,600)	(702,600)	-
Total human resources	888,423	691,983	196,440
<b>Human Relations:</b>			
Salaries	217,883	217,882	1
Employee benefits	57,477	57,477	-
Operating expenses	30,450	21,892	8,558
Total human relations	305,810	297,251	8,559
Total general government	7,191,096	5,856,442	1,334,654
<b>Public Safety:</b>			
<b>Police:</b>			
<b>Administration:</b>			
Salaries	629,070	629,067	3
Employee benefits	89,740	87,051	2,689
Operating expenses	176,170	175,800	370
Total	894,980	891,918	3,062
<b>Administrative Services:</b>			
Salaries	1,014,150	1,014,148	2
Employee benefits	274,992	274,968	24
Operating expenses	128,910	125,289	3,621
Total	1,418,052	1,414,405	3,647

**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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Staff Services:</b>			
Salaries	2,077,280	2,077,234	46
Employee benefits	592,140	591,410	730
Operating expenses	472,460	470,826	1,634
Capital outlay	34,349	34,348	1
Total	<u>3,176,229</u>	<u>3,173,818</u>	<u>2,411</u>
<b>Field Operations:</b>			
Salaries	4,753,100	4,753,095	5
Employee benefits	1,431,110	1,431,107	3
Operating expenses	589,386	589,240	146
Capital outlay	407,500	400,038	7,462
Total	<u>7,181,096</u>	<u>7,173,480</u>	<u>7,616</u>
<b>Investigative Services:</b>			
Salaries	1,011,300	1,011,300	-
Employee benefits	275,770	275,765	5
Operating expenses	55,091	54,768	323
Capital outlay	43,009	43,008	1
Total	<u>1,385,170</u>	<u>1,384,841</u>	<u>329</u>
Total police	<u>14,055,527</u>	<u>14,038,462</u>	<u>17,065</u>
<b>Fire:</b>			
<b>Administration:</b>			
Salaries	273,600	248,443	25,157
Employee benefits	125,610	67,623	57,987
Operating expenses	378,895	364,191	14,704
Capital outlay	58,461	58,433	28
Total	<u>836,566</u>	<u>738,690</u>	<u>97,876</u>
<b>Operations:</b>			
Salaries	6,637,979	6,637,973	6
Employee benefits	1,750,898	1,750,890	8
Operating expenses	494,876	452,863	42,013
Capital outlay	94,404	93,402	1,002
Total	<u>8,978,157</u>	<u>8,935,128</u>	<u>43,029</u>
<b>Prevention:</b>			
Salaries	347,623	347,622	1
Employee benefits	85,190	85,182	8
Operating expenses	21,880	20,580	1,300
Capital outlay	12,136	12,136	-
Total	<u>466,829</u>	<u>465,520</u>	<u>1,309</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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Training:</b>			
Salaries	189,190	189,187	3
Employee benefits	46,810	46,306	504
Operating expenses	21,910	19,828	2,082
Capital outlay	10,000	9,613	387
Total	<u>267,910</u>	<u>264,934</u>	<u>2,976</u>
Total fire	<u>10,549,462</u>	<u>10,404,272</u>	<u>145,190</u>
Total public safety	<u>24,604,989</u>	<u>24,442,734</u>	<u>162,255</u>
<b>Public Works:</b>			
<b>Administration:</b>			
Salaries	127,790	127,785	5
Employee benefits	32,990	32,713	277
Operating expenses	44,920	38,022	6,898
Total	<u>205,700</u>	<u>198,520</u>	<u>7,180</u>
<b>Street and Row Maintenance:</b>			
Salaries	793,000	761,900	31,100
Employee benefits	239,120	218,553	20,567
Operating expenses	1,380,212	1,371,086	9,126
Capital outlay	577,625	464,793	112,832
Service charges	(570,255)	(736,636)	166,381
Total	<u>2,419,702</u>	<u>2,079,696</u>	<u>340,006</u>
<b>Housing Code Enforcement:</b>			
Salaries	459,925	459,925	-
Employee benefits	128,830	125,917	2,913
Operating expenses	365,490	346,623	18,867
Capital outlay	17,800	17,464	336
Total	<u>972,045</u>	<u>949,929</u>	<u>22,116</u>
<b>Environmental Service:</b>			
Salaries	1,866,820	1,780,502	86,318
Employee benefits	548,480	535,286	13,194
Operating expenses	3,872,599	3,749,284	123,315
Capital outlay	1,921,291	1,180,620	740,671
Total	<u>8,209,190</u>	<u>7,245,692</u>	<u>963,498</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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Fleet Maintenance:</b>			
Salaries	862,060	831,992	30,068
Employee benefits	253,820	230,506	23,314
Operating expenses	2,681,710	2,582,196	99,514
Capital outlay	45,010	25,808	19,202
Service charges	(3,168,518)	(3,459,633)	291,115
Total	<u>674,082</u>	<u>210,869</u>	<u>463,213</u>
Total public works	<u>12,480,719</u>	<u>10,684,706</u>	<u>1,796,013</u>
<b>Engineering:</b>			
<b>Administration:</b>			
Salaries	734,580	734,565	15
Employee benefits	206,230	183,268	22,962
Operating expenses	79,090	72,327	6,763
Utility service fee	(505,500)	(505,500)	-
Total	<u>514,400</u>	<u>484,660</u>	<u>29,740</u>
<b>Traffic:</b>			
Salaries	435,938	435,937	1
Employee benefits	148,870	143,854	5,016
Operating expenses	425,082	387,882	37,200
Capital outlay	4,700	4,508	192
Utility service fee	(482,600)	(482,600)	-
Total	<u>531,990</u>	<u>489,581</u>	<u>42,409</u>
Total engineering	<u>1,046,390</u>	<u>974,241</u>	<u>72,149</u>
<b>Parks and Recreation:</b>			
<b>Administration:</b>			
Salaries	250,850	250,850	-
Employee benefits	66,960	66,868	92
Operating expenses	128,685	126,767	1,918
Total	<u>446,495</u>	<u>444,485</u>	<u>2,010</u>
<b>Athletics:</b>			
Salaries	344,690	344,688	2
Employee benefits	70,760	70,757	3
Operating expenses	103,850	102,718	1,132
Capital outlay	275	275	-
Total	<u>519,575</u>	<u>518,438</u>	<u>1,137</u>
<b>Cultural Arts:</b>			
Salaries	415,100	415,084	16
Employee benefits	91,342	91,342	-
Operating expenses	1,169,489	139,849	1,029,640
Capital outlay	3,000	2,586	414
Total	<u>1,678,931</u>	<u>648,861</u>	<u>1,030,070</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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Amusements and Special Events:</b>			
Salaries	59,620	59,471	149
Employee benefits	16,845	16,843	2
Operating expenses	<u>157,550</u>	<u>126,910</u>	<u>30,640</u>
Total	<u>234,015</u>	<u>203,224</u>	<u>30,791</u>
<b>Museum:</b>			
Salaries	324,136	324,136	-
Employee benefits	70,850	70,849	1
Operating expenses	<u>82,777</u>	<u>82,009</u>	<u>768</u>
Total	<u>477,763</u>	<u>476,994</u>	<u>769</u>
<b>Parks Maintenance:</b>			
Salaries	936,050	936,048	2
Employee benefits	265,935	265,931	4
Operating expenses	674,627	674,622	5
Capital outlay	<u>6,922</u>	<u>6,864</u>	<u>58</u>
Total	<u>1,883,534</u>	<u>1,883,465</u>	<u>69</u>
<b>Cemetery Operations:</b>			
Salaries	272,940	272,935	5
Employee benefits	88,025	88,023	2
Operating expenses	60,100	58,541	1,559
Capital outlay	<u>6,128</u>	<u>5,870</u>	<u>258</u>
Total	<u>427,193</u>	<u>425,369</u>	<u>1,824</u>
<b>Outdoor Programs:</b>			
Salaries	173,750	173,746	4
Employee benefits	25,770	25,769	1
Operating expenses	<u>36,010</u>	<u>35,967</u>	<u>43</u>
Total	<u>235,530</u>	<u>235,482</u>	<u>48</u>
<b>Neighborhood Programs:</b>			
Salaries	463,010	463,008	2
Employee benefits	73,560	73,559	1
Operating expenses	<u>138,100</u>	<u>132,323</u>	<u>5,777</u>
Total	<u>674,670</u>	<u>668,890</u>	<u>5,780</u>
<b>Senior Programs:</b>			
Salaries	221,190	221,181	9
Employee benefits	41,896	41,892	4
Operating expenses	173,535	172,928	607
Capital outlay	<u>16,327</u>	<u>16,327</u>	<u>-</u>
Total	<u>452,948</u>	<u>452,328</u>	<u>620</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, 2011**

	<b>2011</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Sports Complex:</b>			
Salaries	136,390	136,388	2
Employee benefits	19,080	19,038	42
Operating expenses	311,860	306,445	5,415
Capital outlay	58,973	58,381	592
Total	<u>526,303</u>	<u>520,252</u>	<u>6,051</u>
<b>Imperial Centre:</b>			
Salaries	74,930	74,922	8
Employee benefits	12,730	12,723	7
Operating expenses	1,347,134	1,341,044	6,090
Total	<u>1,434,794</u>	<u>1,428,689</u>	<u>6,105</u>
Total parks and recreation	<u>8,991,751</u>	<u>7,906,477</u>	<u>1,085,274</u>
<b>Public Service:</b>			
Capital outlay	<u>4,740,402</u>	<u>3,607,496</u>	<u>1,132,906</u>
Debt service expenditures	<u>3,278,419</u>	<u>3,273,039</u>	<u>5,380</u>
Total expenditures	<u>62,333,766</u>	<u>56,745,135</u>	<u>5,588,631</u>
Revenues over (under) expenditures	<u>(11,000,977)</u>	<u>(7,366,624)</u>	<u>3,634,353</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,175,795)	(1,157,233)	18,562
Transfers from other funds	3,660,000	3,739,431	79,431
Installment purchase financing issued	<u>1,177,500</u>	<u>1,565,000</u>	<u>387,500</u>
Total other financing sources (uses):	<u>3,661,705</u>	<u>4,147,198</u>	<u>485,493</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,339,272)</u>	<u>(3,219,426)</u>	<u>4,119,846</u>
Fund balance appropriated	<u>7,339,272</u>	<u>-</u>	<u>(7,339,272)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,219,426)</u>	<u>\$ (3,219,426)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>22,164,052</u>	
End of year, June 30		<u>\$ 18,944,626</u>	

## **NON MAJOR GOVERNMENTAL FUNDS**





## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 1,771,176	\$ 3,697,649	\$ 5,468,825
Receivables - net:			
Ad valorem taxes	-	9,476	9,476
Other governmental agencies	670,761	111,855	782,616
Prepaid items	100,000	-	100,000
Other	340,276	-	340,276
Restricted cash and investments	-	764,533	764,533
Total assets	<u>\$ 2,882,213</u>	<u>\$ 4,583,513</u>	<u>\$ 7,465,726</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 237,320	\$ 133,742	\$ 371,062
Deferred revenue	-	9,476	9,476
Deposits	25,500	-	25,500
Due to other funds	<u>57,594</u>	<u>-</u>	<u>57,594</u>
Total liabilities	<u>320,414</u>	<u>143,218</u>	<u>463,632</u>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Prepaid items	100,000	-	100,000
<b>Restricted:</b>			
Stabilization by State statute	1,011,037	111,855	1,122,892
Future capital projects	-	764,533	764,533
Public safety	365,590	-	365,590
Parks and recreation	433,366	-	433,366
<b>Committed:</b>			
Public service	766,218	-	766,218
Community revitalization	9,860	-	9,860
Future capital projects		2,773,711	2,773,711
<b>Assigned</b>	-	790,196	790,196
<b>Unassigned</b>	<u>(124,272)</u>	<u>-</u>	<u>(124,272)</u>
Total fund balances	<u>2,561,799</u>	<u>4,440,295</u>	<u>7,002,094</u>
Total liabilities and fund balances	<u>\$ 2,882,213</u>	<u>\$ 4,583,513</u>	<u>\$ 7,465,726</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, 2011**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ 74,455	\$ 74,455
Intergovernmental	7,039,068	908,732	7,947,800
Project	3,096,505	250,000	3,346,505
Investment earnings	1,883	1,998	3,881
Miscellaneous	24,256	1,093,105	1,117,361
Total revenues	<u>10,161,712</u>	<u>2,328,290</u>	<u>12,490,002</u>
<b>Expenditures:</b>			
General government	-	801,837	801,837
Public safety	761,921	1,099,129	1,861,050
Parks and recreation	33,308	274,414	307,722
Public service	4,534,632	1,478,933	6,013,565
Community revitalization	4,422,615	-	4,422,615
Total expenditures	<u>9,752,476</u>	<u>3,654,313</u>	<u>13,406,789</u>
Revenues over (under) expenditures	<u>409,236</u>	<u>(1,326,023)</u>	<u>(916,787)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(605,402)	(86,516)	(691,918)
Transfers from other funds	383,708	3,034,012	3,417,720
Debt financing issued	-	410,339	410,339
Installment purchase financing issued	-	731,000	731,000
Total other financing sources (uses)	<u>(221,694)</u>	<u>4,088,835</u>	<u>3,867,141</u>
Net change in fund balances	187,542	2,762,812	2,950,354
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>2,374,257</u>	<u>1,677,483</u>	<u>4,051,740</u>
End of year, June 30	<u>\$ 2,561,799</u>	<u>\$ 4,440,295</u>	<u>\$ 7,002,094</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.

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**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

	<b>Public Transportation Grants</b>	<b>Entitlement Grants</b>	<b>Crime/ Safety Control</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 968,102	\$ -	\$ 24,832
Receivables - net:			
Other governmental agencies	386,236	246,772	37,753
Prepaid items	100,000	-	-
Other	168,360	2,356	-
Total assets	<u>\$ 1,622,698</u>	<u>\$ 249,128</u>	<u>\$ 62,585</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 201,884	\$ 11,145	\$ 24,291
Deposits	-	25,500	-
Due to other funds	-	57,594	-
Total liabilities	<u>201,884</u>	<u>94,239</u>	<u>24,291</u>
<b>Fund Balance:</b>			
<b>Nonspendable</b>			
Prepaid items	100,000	-	-
<b>Restricted:</b>			
Stabilization by State statute	554,596	249,128	37,753
Public safety	-	-	30,574
Parks and recreation	-	-	-
<b>Committed</b>			
Committed	766,218	-	-
<b>Unassigned</b>			
Unassigned	-	(94,239)	(30,033)
Total fund balance (deficit)	<u>1,420,814</u>	<u>154,889</u>	<u>38,294</u>
Total liabilities and fund balance	<u>\$ 1,622,698</u>	<u>\$ 249,128</u>	<u>\$ 62,585</u>

**Schedule D-1**

<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 9,860	\$ 335,016	\$ 433,366	\$ 1,771,176
-	-	-	670,761
-	-	-	100,000
<u>102,218</u>	<u>33,249</u>	<u>34,093</u>	<u>340,276</u>
<u>\$ 112,078</u>	<u>\$ 368,265</u>	<u>\$ 467,459</u>	<u>\$ 2,882,213</u>
\$ -	\$ -	\$ -	\$ 237,320
-	-	-	25,500
-	-	-	57,594
<u>-</u>	<u>-</u>	<u>-</u>	<u>320,414</u>
-	-	-	100,000
102,218	33,249	34,093	1,011,037
-	335,016	-	365,590
-	-	433,366	433,366
9,860	-	-	776,078
-	-	-	(124,272)
<u>112,078</u>	<u>368,265</u>	<u>467,459</u>	<u>2,561,799</u>
<u>\$ 112,078</u>	<u>\$ 368,265</u>	<u>\$ 467,459</u>	<u>\$ 2,882,213</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, 2011**

	<b>Public Transportation Grants</b>	<b>Entitlement Grants</b>	<b>Crime/ Safety Control</b>
<b>Revenues:</b>			
Intergovernmental	\$ 2,132,789	\$ 3,283,314	\$ 678,338
Project	2,178,780	518,743	-
Investment earnings	-	-	174
Miscellaneous	7,752	-	3,904
Total revenues	<u>4,319,321</u>	<u>3,802,057</u>	<u>682,416</u>
<b>Expenditures:</b>			
Public safety	-	-	761,921
Parks and recreation	-	-	33,308
Public service	4,223,199	-	-
Community revitalization	-	3,925,646	-
Total expenditures	<u>4,223,199</u>	<u>3,925,646</u>	<u>795,229</u>
Revenues over (under) expenditures	<u>96,122</u>	<u>(123,589)</u>	<u>(112,813)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	-	-	-
Transfers from other funds	240,455	121,461	21,792
Total other financing sources (uses)	<u>240,455</u>	<u>121,461</u>	<u>21,792</u>
Net change in fund balances	336,577	(2,128)	(91,021)
<b>Fund Balance:</b>			
Beginning of year, July 1	<u>1,084,237</u>	<u>157,017</u>	<u>129,315</u>
End of year , June 30	<u>\$ 1,420,814</u>	<u>\$ 154,889</u>	<u>\$ 38,294</u>

**Schedule D-2**

<u>Economic Development</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ 490,219	\$ -	\$ 454,408	\$ 7,039,068
-	398,982	-	3,096,505
-	535	1,174	1,883
12,600	-	-	24,256
<u>502,819</u>	<u>399,517</u>	<u>455,582</u>	<u>10,161,712</u>
-	-	-	761,921
-	-	-	33,308
-	311,433	-	4,534,632
496,969	-	-	4,422,615
<u>496,969</u>	<u>311,433</u>	<u>-</u>	<u>9,752,476</u>
5,850	88,084	455,582	409,236
-	(20,402)	(585,000)	(605,402)
-	-	-	383,708
-	<u>(20,402)</u>	<u>(585,000)</u>	<u>(221,694)</u>
5,850	67,682	(129,418)	187,542
106,228	300,583	596,877	2,374,257
<u>\$ 112,078</u>	<u>\$ 368,265</u>	<u>\$ 467,459</u>	<u>\$ 2,561,799</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, 2011**

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 5,332,884	\$ 2,495,360	2,132,789	\$ 4,628,149
Project revenues	1,924,996	237,130	2,178,780	2,415,910
Miscellaneous	46,700	7,711	7,752	15,463
Total revenues	<u>7,304,580</u>	<u>2,740,201</u>	<u>4,319,321</u>	<u>7,059,522</u>
<b>Expenditures:</b>				
<b>Public Service:</b>				
Operating	6,804,628	2,809,034	3,538,421	6,347,455
Capital outlay	1,271,314	322,224	684,778	1,007,002
Total expenditures	<u>8,075,942</u>	<u>3,131,258</u>	<u>4,223,199</u>	<u>7,354,457</u>
Revenues over (under) expenditures	<u>(771,362)</u>	<u>(391,057)</u>	<u>96,122</u>	<u>(294,935)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	706,362	422,125	240,455	662,580
Fund balance appropriated	65,000	-	-	-
Total other financing sources (uses)	<u>771,362</u>	<u>422,125</u>	<u>240,455</u>	<u>662,580</u>
Adjustment for closed projects	<u>-</u>	<u>1,053,169</u>		<u>1,053,169</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,084,237</u>	336,577	<u>\$ 1,420,814</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>1,084,237</u>	
End of year, June 30			<u>\$ 1,420,814</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 1,216,564
Project revenues	1,768,922
Miscellaneous	17,404
Total revenues:	<u>3,002,890</u>
<b>Expenditures:</b>	
Operating	<u>2,642,921</u>
Total expenditures:	<u>2,642,921</u>
Revenues over (under) expenditures	<u>\$ 359,969</u>
Transfers from other funds	<u>142,586</u>
Transfer (to) other funds	<u>(9,220)</u>
Adjustment to Fund Balance	<u>\$ 493,335</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, 2011

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 16,225,637	\$ 9,706,056	3,283,314	\$ 12,989,370
Project revenues	1,619,267	1,298,735	518,743	1,817,478
Investment earnings	-	9,855	-	9,855
Miscellaneous	-	12,567	-	12,567
Total revenues	<u>17,844,904</u>	<u>11,027,213</u>	<u>3,802,057</u>	<u>14,829,270</u>
<b>Expenditures:</b>				
Community revitalization program:				
Operating	18,124,516	11,308,578	3,640,646	14,949,224
Capital outlay	<u>296,679</u>	<u>11,678</u>	<u>285,000</u>	<u>296,678</u>
Total expenditures	<u>18,421,195</u>	<u>11,320,256</u>	<u>3,925,646</u>	<u>15,245,902</u>
Revenues over (under) expenditures	<u>(576,291)</u>	<u>(293,043)</u>	<u>(123,589)</u>	<u>(416,632)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>576,291</u>	<u>450,060</u>	<u>121,461</u>	<u>571,521</u>
Total other financing sources (uses)	<u>576,291</u>	<u>450,060</u>	<u>121,461</u>	<u>571,521</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 157,017</u>	<u>(2,128)</u>	<u>\$ 154,889</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>157,017</u>	
End of year, June 30			<u>\$ 154,889</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ <u>110,870</u>
Total revenues:	<u>110,870</u>
<b>Expenditures:</b>	
Operating	<u>110,870</u>
Total expenditures:	<u>110,870</u>
Revenues over (under) expenditures	<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, 2011

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 2,228,376	\$ 919,221	\$ 678,338	\$ 1,597,559
Investment earnings	2,000	4,727	174	4,901
Miscellaneous	5,657	1,724	3,904	5,628
Total revenues	<u>2,236,033</u>	<u>925,672</u>	<u>682,416</u>	<u>1,608,088</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Operating	1,299,251	450,668	394,998	845,666
Capital outlay	892,861	324,515	366,923	691,438
<b>Parks and Recreation:</b>				
Operating	95,396	45,999	33,308	79,307
Total expenditures	<u>2,287,508</u>	<u>821,182</u>	<u>795,229</u>	<u>1,616,411</u>
Revenues over (under) expenditures	<u>(51,475)</u>	<u>104,490</u>	<u>(112,813)</u>	<u>(8,323)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>51,475</u>	<u>24,825</u>	<u>21,792</u>	<u>46,617</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 129,315</u>	<u>(91,021)</u>	<u>\$ 38,294</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>129,315</u>	
End of year, June 30			<u>\$ 38,294</u>	

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

Revenues:	
Intergovernmental	\$ 159,842
Investments	1,160
Total revenues:	<u>161,002</u>
Expenditures:	
Operating	51,326
Capital outlay	109,676
Total expenditures:	<u>161,002</u>
Revenues over (under) expenditures	<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, 2011

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 1,710,500	\$ 25,500	\$ 490,219	\$ 515,719
Investment earnings	-	10,646	-	10,646
Miscellaneous	162,600	-	12,600	12,600
Total revenues	1,873,100	36,146	502,819	538,965
<b>Expenditures:</b>				
<b>Community Revitalization:</b>				
Operating	1,273,100	101,541	496,969	598,510
Capital outlay	800,000	28,377	-	28,377
Total expenditures	2,073,100	129,918	496,969	626,887
Revenues over (under) expenditures	(200,000)	(93,772)	5,850	(87,922)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	200,000	200,000	-	200,000
Total other financing sources (uses)	200,000	200,000	-	200,000
Net change in fund balance	\$ -	\$ 106,228	5,850	\$ 112,078
<b>Fund Balance:</b>				
Beginning of year, July 1			106,228	
End of year, June 30			\$ 112,078	

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

Revenues:	
Intergovernmental	\$ -
Total revenues:	-
Expenditures:	
Capital outlay	43,012
Total expenditures:	43,012
Revenues over (under) expenditures	\$ (43,012)
Transfers from other funds:	43,012
	\$ -

## 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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Project	\$ 375,000	\$ 398,982	\$ 23,982
Investment earnings	-	535	535
Total revenues	<u>375,000</u>	<u>399,517</u>	<u>24,517</u>
<b>Expenditures:</b>			
Public service:			
Operating	325,000	309,448	15,552
Capital outlay	<u>23,597</u>	<u>1,985</u>	<u>21,612</u>
Total expenditures	<u>348,597</u>	<u>311,433</u>	<u>37,164</u>
Revenues over (under) expenditures	<u>\$ 26,403</u>	<u>88,084</u>	<u>\$ 61,681</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	<u>(26,403)</u>	<u>(20,402)</u>	<u>6,001</u>
Total other financing sources (uses)	<u>(26,403)</u>	<u>(20,402)</u>	<u>6,001</u>
Net change in fund balance	<u>\$ -</u>	<u>67,682</u>	<u>\$ 67,682</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>300,583</u>	
End of year, June 30		<u>\$ 368,265</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, 2011

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Intergovernmental	\$ 3,675,000	\$ 3,668,375	\$ 454,408	\$ 4,122,783
Investment earnings	35,000	53,502	1,174	54,676
Total revenues	<u>3,710,000</u>	<u>3,721,877</u>	<u>455,582</u>	<u>4,177,459</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(3,710,000)</u>	<u>(3,125,000)</u>	<u>(585,000)</u>	<u>(3,710,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 596,877</u>	(129,418)	<u>\$ 467,459</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>596,877</u>	
End of year, June 30			<u>\$ 467,459</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.

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## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 807,252	\$ 2,890,397	\$ 3,697,649
Receivables - net:			
Ad valorem taxes	9,476	-	9,476
Other governmental agencies	69	111,786	111,855
Restricted cash and investments	764,533	-	764,533
Total assets	<u>\$ 1,581,330</u>	<u>\$ 3,002,183</u>	<u>\$ 4,583,513</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	17,056	116,686	133,742
Deferred revenues	9,476	-	9,476
Total liabilities	<u>26,532</u>	<u>116,686</u>	<u>143,218</u>
<b>Fund Balance:</b>			
<b>Restricted:</b>			
Stabilization by State statute	69	111,786	111,855
Future capital projects	764,533	-	764,533
<b>Committed</b>			
	-	2,773,711	2,773,711
<b>Assigned</b>			
	790,196	-	790,196
Total fund balance	<u>1,554,798</u>	<u>2,885,497</u>	<u>4,440,295</u>
Total liabilities and fund balance	<u>\$ 1,581,330</u>	<u>\$ 3,002,183</u>	<u>\$ 4,583,513</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, 2011**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Taxes	\$ 74,455	\$ -	\$ 74,455
Intergovernmental	95,000	813,732	908,732
Project	250,000	-	250,000
Investment earnings	1,743	255	1,998
Miscellaneous	-	1,093,105	1,093,105
Total revenues	<u>421,198</u>	<u>1,907,092</u>	<u>2,328,290</u>
<b>Expenditures:</b>			
General government	801,837	-	801,837
Public safety	1,099,129	-	1,099,129
Parks and recreation	131,427	142,987	274,414
Public service	-	1,478,933	1,478,933
Total expenditures	<u>2,032,393</u>	<u>1,621,920</u>	<u>3,654,313</u>
Revenues over (under) expenditures	<u>(1,611,195)</u>	<u>285,172</u>	<u>(1,326,023)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(27,487)	(59,029)	(86,516)
Transfers from other funds	823,000	2,211,012	3,034,012
Debt financing issued	-	410,339	410,339
Installment purchase financing issued	731,000	-	731,000
Total other financing sources (uses)	<u>1,526,513</u>	<u>2,562,322</u>	<u>4,088,835</u>
Net change in fund balance	(84,682)	2,847,494	2,762,812
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,639,480</u>	<u>38,003</u>	<u>1,677,483</u>
End of year - June 30	<u>\$ 1,554,798</u>	<u>\$ 2,885,497</u>	<u>\$ 4,440,295</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 71,500	\$ 74,455	\$ 2,955
Intergovernmental	95,000	95,000	-
Project	250,000	250,000	-
Investment earnings	1,500	1,743	243
Total revenues	<u>418,000</u>	<u>421,198</u>	<u>3,198</u>
<b>Expenditures:</b>			
General government	1,769,573	801,837	967,736
Public safety	1,118,016	1,099,129	18,887
Parks and recreation	131,427	131,427	-
Community revitalization	38,000	-	38,000
Total expenditures	<u>3,057,016</u>	<u>2,032,393</u>	<u>1,024,623</u>
Revenues over (under) expenditures	<u>(2,639,016)</u>	<u>(1,611,195)</u>	<u>1,027,821</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(85,000)	(27,487)	57,513
Transfers from other funds	823,000	823,000	-
Installment purchase financing issued	731,000	731,000	-
Fund balance appropriated	1,170,016	-	(1,170,016)
Total other financing sources (uses)	<u>2,639,016</u>	<u>1,526,513</u>	<u>(1,112,503)</u>
Net change in fund balance	<u>\$ -</u>	<u>(84,682)</u>	<u>\$ (84,682)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>1,639,480</u>	
End of year, June 30		<u>\$ 1,554,798</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, 2011

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 7,513,784	\$ 2,367,340	\$ 813,732	\$ 3,181,072
Investment earnings	-	62,991	255	63,246
Miscellaneous	5,708,035	4,560,419	1,093,105	5,653,524
Total revenues	<u>13,221,819</u>	<u>6,990,750</u>	<u>1,907,092</u>	<u>8,897,842</u>
<b>Expenditures:</b>				
Parks and recreation	3,410,441	2,933,449	142,987	3,076,436
Public service	17,343,943	8,668,555	1,478,933	10,147,488
Total expenditures	<u>20,754,384</u>	<u>11,602,004</u>	<u>1,621,920</u>	<u>13,223,924</u>
Revenues over (under) expenditures	<u>(7,532,565)</u>	<u>(4,611,254)</u>	<u>285,172</u>	<u>(4,326,082)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(59,029)	-	(59,029)	(59,029)
Transfers from other funds	4,791,594	2,259,596	2,211,012	4,470,608
Debt financing issued	2,800,000	2,389,661	410,339	2,800,000
Total other financing sources (uses)	<u>7,532,565</u>	<u>4,649,257</u>	<u>2,562,322</u>	<u>7,211,579</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 38,003</u>	2,847,494	<u>\$ 2,885,497</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>38,003</u>	
End of year, June 30			<u>\$ 2,885,497</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.

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## 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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 93,100,000	\$ 94,371,459	\$ 1,271,459
Other operating revenue	2,645,250	1,653,748	(991,502)
Grants and subsidies	-	318,300	318,300
Investment earnings	371,777	228,002	(143,775)
Total revenues	<u>96,117,027</u>	<u>96,571,509</u>	<u>454,482</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	2,164,780	2,164,581	199
Employee benefits	657,630	657,556	74
Electric power purchase	77,389,300	77,389,296	4
Operating expense	5,962,948	5,723,036	239,912
Engineering:			
Salaries	776,840	770,735	6,105
Employee benefits	203,705	199,008	4,697
Operating expense	390,500	390,488	12
Utility support services:			
Salaries	189,309	189,308	1
Employee benefits	48,209	48,208	1
Operating expense	493,400	471,402	21,998
Energy services:			
Salaries	680,450	658,682	21,768
Employee benefits	168,505	168,473	32
Operating expense	819,724	711,130	108,594
Budgetary appropriations:			
Capital outlay	7,410,955	3,752,203	3,658,752
Debt services expenditures	1,422,870	1,422,870	-
Appropriation to school system	209,110	209,110	-
Total expenditures and budgetary appropriations	<u>98,988,235</u>	<u>94,926,086</u>	<u>4,062,149</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,871,208)</u>	<u>1,645,423</u>	<u>4,516,631</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(3,024,000)	(2,874,000)	150,000
Installment purchase financing issued	1,980,000	952,000	(1,028,000)
Fund balance appropriated	3,915,208	-	(3,915,208)
Total other financing sources (uses)	<u>2,871,208</u>	<u>(1,922,000)</u>	<u>(4,793,208)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ (276,577)</u>	<u>\$ (276,577)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ (276,577)	
Depreciation		(1,807,757)	
Debt principal		1,304,832	
Capitalized capital outlay		3,372,362	
Transfer debt to other funds		374,000	
Debt issued		(952,000)	
Change in net assets		<u>\$ 2,014,860</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 22,000,000	\$ 24,063,284	\$ 2,063,284
Other operating revenue	10,000	16,235	6,235
Investment earnings	150,594	54,603	(95,991)
Total revenues	<u>22,160,594</u>	<u>24,134,122</u>	<u>1,973,528</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	939,040	938,968	72
Employee benefits	387,520	401,595	(14,075)
Natural gas purchases	15,422,506	16,116,224	(693,718)
Operating expense	4,441,325	4,230,748	210,577
Budgetary appropriations:			
Capital outlay	2,477,680	2,268,592	209,088
Debt services expenditures	147,294	147,285	9
Appropriation to school system	80,430	80,430	-
Total expenditures and budgetary appropriations	<u>23,895,795</u>	<u>24,183,842</u>	<u>(288,047)</u>
Revenues over (under) expenditures	<u>(1,735,201)</u>	<u>(49,720)</u>	<u>1,685,481</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,400,000)	(1,400,000)	-
Installment purchase financing issued	85,000	-	(85,000)
Fund balance appropriated	3,050,201	-	(3,050,201)
Total other financing sources (uses)	<u>1,735,201</u>	<u>(1,400,000)</u>	<u>(3,135,201)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (1,449,720)</u>	<u>\$ (1,449,720)</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	\$ (1,449,720)
Depreciation	(584,880)
Debt principal	143,769
Capitalized capital outlay	<u>2,179,270</u>
Change in net assets	<u>\$ 288,439</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,050,000	\$ 11,424,381	\$ 374,381
Licenses and permits	40,000	46,990	6,990
Other operating revenue	130,500	191,954	61,454
Other nonoperating revenue	67,370	52,750	(14,620)
Grants and subsidies	-	91,233	91,233
Investment earnings	<u>72,942</u>	<u>59,883</u>	<u>(13,059)</u>
Total revenues	<u>11,360,812</u>	<u>11,867,191</u>	<u>506,379</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Water treatment plants:			
Salaries	1,708,050	1,592,939	115,111
Employee benefits	617,970	584,637	33,333
Operating expense	3,813,311	3,150,024	663,287
Water services:			
Salaries	820,140	662,380	157,760
Employee benefits	293,350	230,059	63,291
Operating expense	1,508,836	1,428,435	80,401
Budgetary appropriations:			
Capital outlay	4,585,578	1,727,605	2,857,973
Debt services expenditures	774,993	681,678	93,315
Appropriation to school system	<u>32,160</u>	<u>32,160</u>	<u>-</u>
Total expenditures and budgetary appropriations	<u>14,154,388</u>	<u>10,089,917</u>	<u>4,064,471</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,793,576)</u>	<u>1,777,274</u>	<u>4,570,850</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	(500,000)	-
Debt financing issued	-	91,233	91,233
Installment purchase financing issued	1,060,000	645,000	(415,000)
Fund balance appropriated	<u>2,233,576</u>	<u>-</u>	<u>(2,233,576)</u>
Total other financing sources (uses)	<u>2,793,576</u>	<u>236,233</u>	<u>(2,557,343)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 2,013,507</u>	<u>\$ 2,013,507</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 2,013,507	
Depreciation		(1,315,169)	
Debt principal		553,923	
Capitalized capital outlay		1,559,916	
Reserve for working capital		100,000	
Debt issued		<u>(736,233)</u>	
Change in net assets		<u>\$ 2,175,944</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,970,000	\$ 11,641,154	\$ (328,846)
Licenses and permits	50,000	37,111	(12,889)
Other operating revenue	115,030	139,382	24,352
Grants and subsidies	-	300,815	300,815
Investment earnings	118,731	103,151	(15,580)
Total revenues	<u>12,253,761</u>	<u>12,221,613</u>	<u>(32,148)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Waste water treatment plants:			
Salaries	1,057,960	1,056,365	1,595
Employee benefits	451,950	451,825	125
Operating expense	4,953,756	4,541,741	412,015
Sewer services:			
Salaries	711,960	605,932	106,028
Employee benefits	199,250	157,269	41,981
Operating expense	1,865,630	1,770,025	95,605
Budgetary appropriations:			
Capital outlay	5,113,207	2,127,929	2,985,278
Debt services expenditures	1,490,151	1,421,603	68,548
Total expenditures and budgetary appropriations	<u>15,843,864</u>	<u>12,132,689</u>	<u>3,711,175</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,590,103)</u>	<u>88,924</u>	<u>3,679,027</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(434,000)	(434,000)	-
Installment purchase financing issued	896,000	896,000	-
Fund balance appropriated	3,128,103	-	(3,128,103)
Total other financing sources (uses)	<u>3,590,103</u>	<u>462,000</u>	<u>(3,128,103)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 550,924</u>	<u>\$ 550,924</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 550,924	
Depreciation		(1,823,129)	
Debt principal		1,083,922	
Capitalized capital outlay		1,987,289	
Transfer debt to other funds		374,000	
Debt issued		(896,000)	
Change in net assets		<u>\$ 1,277,006</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 3,425,000	\$ 3,351,376	\$ (73,624)
Other operating revenue	-	730	730
Grants and subsidies	-	14,838	14,838
Investment earnings	37,438	26,199	(11,239)
Total revenues	<u>3,462,438</u>	<u>3,393,143</u>	<u>(69,295)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Stormwater management:			
Salaries	213,780	212,563	1,217
Employee benefits	61,110	57,402	3,708
Operating expense	450,110	429,078	21,032
Stormwater operations:			
Salaries	1,236,105	1,235,155	950
Employee benefits	432,460	431,760	700
Operating expense	381,312	350,081	31,231
Budgetary appropriations:			
Capital outlay	1,527,957	819,281	708,676
Debt services expenditures	282,348	282,345	3
Total expenditures and budgetary appropriations	<u>4,585,182</u>	<u>3,817,665</u>	<u>767,517</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,122,744)</u>	<u>(424,522)</u>	<u>698,222</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(400,000)	(400,000)	-
Transfers from other funds	300,000	300,000	-
Installment purchase financing issued	605,000	362,000	(243,000)
Fund balance appropriated	617,744	-	(617,744)
Total other financing sources (uses)	<u>1,122,744</u>	<u>262,000</u>	<u>(860,744)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (162,522)</u>	<u>\$ (162,522)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (162,522)	
Depreciation		(234,698)	
Debt principal		257,503	
Capitalized capital outlay		715,909	
Debt issued		(362,000)	
Change in net assets		<u>\$ 214,192</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, 2011

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Insurance premiums	\$ 6,200,000	\$ 5,984,220	\$ (215,780)
<b>Expenditures:</b>			
Insurance claims	6,200,000	4,696,144	1,503,856
Administrative fees	-	1,361,610	(1,361,610)
Total expenditures	<u>6,200,000</u>	<u>6,057,754</u>	<u>142,246</u>
Revenues over (under) expenditures	<u>-</u>	<u>(73,534)</u>	<u>(73,534)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(73,534)</u>	<u>\$ (73,534)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>368,072</u>	
End of year, June 30		<u>\$ 294,538</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, 2011

<b>Community Development and Governmental Activities Fund:</b>	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2011</b>
Assets:				
Cash and cash equivalents/investments	\$ 299,164	\$ 178,027	\$ 215,321	\$ 261,870
Total assets	<u>\$ 299,164</u>	<u>\$ 178,027</u>	<u>\$ 215,321</u>	<u>\$ 261,870</u>
Liabilities:				
Accounts payable	\$ 112	\$ 39	\$ 112	\$ 39
Due to other governmental agency	<u>299,052</u>	<u>177,988</u>	<u>215,209</u>	<u>261,831</u>
Total liabilities	<u>\$ 299,164</u>	<u>\$ 178,027</u>	<u>\$ 215,321</u>	<u>\$ 261,870</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, 2011

Year	Uncollected Balance 6/30/2010	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2011
2011-2012		131,688	216	131,472
2010-2011	106,809	21,186,586	20,100,081	1,193,314
2009-2010	1,086,313	321,198	733,951	673,560
2008-2009	510,456	6,647	176,301	340,802
2007-2008	296,473	4,398	45,407	255,464
2006-2007	244,693	2,301	25,495	221,499
2005-2006	176,500	3,309	16,948	162,861
2004-2005	145,369	-	8,844	136,525
2003-2004	148,237	-	7,140	141,097
2002-2003	151,169	-	5,485	145,684
2001-2002	111,711	-	2,642	109,069
2000-2001	97,885	-	41,269	56,616
1999-2000	58,090	-	44,802	13,288
1998-1999	17,441	-	17,441	-
	<u>\$ 3,151,146</u>	<u>\$ 21,656,127</u>	<u>\$ 21,226,022</u>	<u>3,581,251</u>
Allowance for uncollectible ad valorem taxes receivable				<u>(1,428,844)</u>
Ad valorem taxes receivable, net				<u>\$ 2,152,407</u>
<b>Reconciliation with Revenue:</b>				
Taxes				\$ 21,262,641
Penalties and interest				<u>(191,850)</u>
Total				<u>21,070,791</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				20,602,156
Prior years				<u>468,635</u>
				21,070,791
Releases and transfers from interest				31,991
Other				<u>123,240</u>
Total collections and credits				<u>\$ 21,226,022</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR YEAR ENDED JUNE 30, 2011

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate:					
Real property	\$ 3,079,240,931	0.55	\$ 16,935,853	\$ 16,935,853	\$ -
Personal property	694,839,030	0.55	3,821,620	2,410,135	1,411,485
Public service property	87,697,461	0.55	482,336	482,336	-
	<u>3,861,777,422</u>		<u>21,239,809</u>	<u>19,828,324</u>	<u>1,411,485</u>
Discoveries	167,135	0.50	836	836	-
Discoveries	-	0.48	-	-	-
Discoveries	8,518,825	0.55	46,854	46,854	-
Discoveries	637,778	0.58	3,699	3,699	-
Discoveries	-	0.44	-	-	-
Refunds	4,923,031	0.55	27,077	27,077	-
Total property valuation	<u>\$ 3,876,024,191</u>				
Net levy			21,318,274	19,906,789	1,411,485
Uncollected taxes at June 30, 2011			<u>1,324,786</u>	<u>903,591</u>	<u>421,195</u>
Current year's taxes collected			<u>\$ 19,993,488</u>	<u>\$ 19,003,198</u>	<u>\$ 990,290</u>
Percent of current year taxes collected			<u>93.79%</u>	<u>95.46%</u>	<u>70.16%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Transfers to Fund:</b>	<b>Transfers from Fund:</b>		
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>
General	\$ -	\$ 530,402	\$ 59,029
Stormwater	300,000		
<b>Capital Project Funds:</b>			
General Capital Projects		75,000	
Capital Development	473,525		27,487
<b>Special Revenue:</b>			
Entitlement Grants	121,461		
Public Transportation	240,455		
Crime/Safety Control	21,792		
<b>Total</b>	<b>\$ 1,157,233</b>	<b>\$ 605,402</b>	<b>\$ 86,516</b>

**Enterprise Funds**

<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Total</u>
\$ 1,500,000	\$ 1,400,000	\$ 250,000			\$ 3,739,431
					300,000
374,000			374,000		823,000
1,000,000		250,000	60,000	400,000	2,211,012
					121,461
					240,455
					21,792
<u>\$ 2,874,000</u>	<u>\$ 1,400,000</u>	<u>\$ 500,000</u>	<u>\$ 434,000</u>	<u>\$ 400,000</u>	<u>\$ 7,457,151</u>



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





## CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULE BY SOURCE  
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Governmental Fund Capital Assets:</b>		
Land and land improvements	\$ 28,911,689	\$ 27,780,619
Buildings	51,939,141	50,272,618
Equipment	42,226,086	39,304,909
Infrastructure	46,719,543	43,187,273
Construction in progress	<u>1,390,214</u>	<u>1,951,699</u>
Total governmental funds capital assets	<u>\$ 171,186,674</u>	<u>\$ 162,497,118</u>
 <b>Investment in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 153,811,204	\$ 146,202,382
Special revenue funds	4,317,408	3,650,944
Joint Venture - Rocky Mount/Wilson Airport	<u>13,058,062</u>	<u>12,643,792</u>
Total governmental funds capital assets	<u>\$ 171,186,674</u>	<u>\$ 162,497,118</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2011**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
<b>General Government:</b>			
Mayor and Council	2,414,299	-	12,159
City Clerk	1,537,919	142,691	58,502
City Manager	-	811,438	96,355
Finance	3,207	101,401	6,697,375
Central services	1,245,002	23,225,741	1,952,692
Human resources	-	5,229	16,156
Total general government	<u>5,200,426</u>	<u>24,286,499</u>	<u>8,833,239</u>
Transit	<u>210,562</u>	<u>97,128</u>	<u>4,009,718</u>
<b>Public Safety:</b>			
Police	7,239	400,258	4,776,326
Fire	63,312	5,405,578	7,299,311
Total public safety	<u>70,551</u>	<u>5,805,835</u>	<u>12,075,637</u>
Public works	<u>914,556</u>	<u>3,291,958</u>	<u>11,983,658</u>
Engineering	<u>2,214,954</u>	<u>86,441</u>	<u>1,129,615</u>
Parks and recreation	<u>18,756,241</u>	<u>7,755,438</u>	<u>3,634,142</u>
Airport	<u>1,544,400</u>	<u>10,615,841</u>	<u>560,076</u>
Total general capital assets	<u>\$ 28,911,689</u>	<u>\$ 51,939,141</u>	<u>\$ 42,226,086</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
-	-	\$ 1,739,112
-	938,047	\$ 1,845,840
-	-	\$ 6,801,982
754,987	-	\$ 27,178,421
-	-	\$ 21,385
<u>754,987</u>	<u>938,047</u>	<u>40,013,198</u>
<u>-</u>	<u>-</u>	<u>\$ 4,317,408</u>
-	-	\$ 5,183,823
<u>-</u>	<u>-</u>	<u>\$ 12,768,201</u>
<u>-</u>	<u>-</u>	<u>17,952,023</u>
<u>44,866,292</u>	<u>46,104</u>	<u>\$ 61,102,568</u>
<u>-</u>	<u>-</u>	<u>\$ 3,431,010</u>
<u>1,098,265</u>	<u>68,318</u>	<u>\$ 31,312,404</u>
<u>-</u>	<u>337,745</u>	<u>\$ 13,058,062</u>
<u>\$ 46,719,543</u>	<u>\$ 1,390,214</u>	<u>\$ 171,186,674</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, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>General Government:</b>				
Mayor and Council	2,426,458			\$ 2,426,458
City Clerk	1,702,808	36,305	1	\$ 1,739,112
City Manager	1,420,582	1,220,173	794,915	\$ 1,845,840
Finance	6,798,013	179,553	175,584	\$ 6,801,982
Central services	25,924,359	1,401,546	147,483	\$ 27,178,421
Human resources	21,385	-	-	\$ 21,385
Total general government	<u>38,293,604</u>	<u>2,837,577</u>	<u>1,117,983</u>	<u>40,013,198</u>
Transit	<u>3,650,944</u>	<u>\$ 666,464</u>	<u>\$ -</u>	<u>4,317,408</u>
<b>Public Safety:</b>				
Police	4,915,982	530,272	262,431	\$ 5,183,823
Fire	<u>11,924,346</u>	<u>1,126,363</u>	<u>282,509</u>	<u>12,768,201</u>
Total public safety	<u>16,840,328</u>	<u>1,656,635</u>	<u>544,940</u>	<u>17,952,023</u>
Public works	<u>57,330,087</u>	<u>\$ 6,097,682</u>	<u>\$ 2,325,201</u>	<u>61,102,568</u>
Engineering	<u>2,687,836</u>	<u>\$ 828,465</u>	<u>\$ 85,291</u>	<u>3,431,010</u>
Parks and recreation	<u>31,050,527</u>	<u>\$ 281,778</u>	<u>\$ 19,901</u>	<u>31,312,404</u>
Airport	<u>12,643,792</u>	<u>\$ 414,270</u>	<u>\$ -</u>	<u>13,058,062</u>
Total general fixed assets	<u>\$ 162,497,118</u>	<u>\$ 12,782,871</u>	<u>\$ 4,093,316</u>	<u>\$ 171,186,674</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 Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 64,765,579	\$ 75,228,740	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292
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	9,442,921
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	11,714,287
Total governmental activities net assets	<u>\$ 100,268,825</u>	<u>\$ 102,770,186</u>	<u>\$ 104,776,424</u>	<u>\$ 105,323,678</u>	<u>\$ 106,063,710</u>	<u>\$ 107,684,247</u>	<u>\$ 111,347,407</u>	<u>\$ 109,913,653</u>	<u>\$ 107,125,917</u>	<u>\$ 111,502,500</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 94,318,972	\$ 103,171,226	\$ 101,634,397	\$ 97,762,992	101,764,488	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316
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	36,869,650
Total business-type activities	<u>\$ 106,333,123</u>	<u>\$ 112,116,455</u>	<u>\$ 114,210,668</u>	<u>\$ 117,823,092</u>	<u>\$ 122,746,632</u>	<u>\$ 130,484,391</u>	<u>\$ 137,722,575</u>	<u>\$ 143,575,396</u>	<u>\$ 154,593,525</u>	<u>\$ 160,563,966</u>
Primary government										
Invested in capital assets, net of related debt	\$ 159,084,551	\$ 178,399,966	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608
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	9,442,921
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	48,583,937
Total primary government net assets	<u>\$ 206,601,948</u>	<u>\$ 214,886,641</u>	<u>\$ 218,987,092</u>	<u>\$ 223,146,770</u>	<u>\$ 228,810,342</u>	<u>\$ 238,168,638</u>	<u>\$ 249,069,982</u>	<u>\$ 253,489,049</u>	<u>\$ 261,719,442</u>	<u>\$ 272,066,466</u>
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	\$ 258,691
Restricted	-	-	-	6,541,494	205,342	172,397	139,451	106,414	73,468	40,522
Unrestricted	-	-	-	-	(156,261)	100	100	100	100	(47,344)
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,147</u>	<u>\$ 1,294,526</u>	<u>\$ 1,037,745</u>	<u>\$ 778,593</u>	<u>\$ 515,231</u>	<u>\$ 251,869</u>

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET ASSETS**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year									
	<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>	<u>2011</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 5,865,807
Public safety	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	25,816,170
Public Works	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	7,197,559
Engineering	670,185	939,353	1,052,631	1,141,096	939,634	984,492	1,139,983	941,982	658,083	186,997
Parks and recreation	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	9,117,886
Public Service	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	9,368,808
Emergency management	1,284,794	1,087,972	-	2,263,801	-	-	-	-	-	-
Hazard mitigation	23,977,937	5,848,692	462,728	93,386	344,245	-	-	-	-	-
Community revitalization	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	4,422,615
Interest on Long-term debt	359,316	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268
Total governmental activities expenses	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	62,268,110
Business-type activities:										
Electric	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	92,056,649
Gas	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	22,445,683
Water	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	9,191,247
Sewer	9,464,318	9,291,806	9,470,920	9,813,137	9,826,701	9,658,399	9,367,159	10,035,368	10,783,556	10,884,607
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	3,078,951
Total business-type activities expenses	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	137,657,137
Total primary government expenses	\$ 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	\$ 199,925,247
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	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	1,834,638
Public Safety	456,322	754,530	800,098	813,507	375,831	578,729	404,249	334,178	321,163	311,960
Public Works	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	6,083,367
Recreation	636,783	481,227	575,445	551,449	667,022	1,125,845	924,160	1,057,313	1,126,057	1,199,165
Public Service	217,787	120,443	175,941	183,969	5,967	1,500,327	1,598,478	1,577,139	1,984,204	2,189,132
Other activities	162,533	3,938	5,240	116,612	-	52,786	14,692	9,934	14,131	12,018
Operating grants and contributions	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	8,382,242
Capital grants and contributions	-	-	-	-	3,435,584	1,448,987	2,813,051	1,313,359	4,796,852	5,038,384
Total governmental activities program revenues	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	25,050,906
Business-type activities:										
Charges for services:										
Electric	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	96,022,707
Gas	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	24,079,519
Water	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	11,716,075
Sewer	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	11,817,647
Storm Water Management	-	2,020	2,366,558	2,464,505	2,673,764	2,666,750	2,691,342	2,918,743	2,933,755	3,352,106
Operating grants and contributions	14,881	499,791	296,007	-	50,000	-	-	-	6,102	2,500
Capital grants and contributions	373,726	166,740	47,975	56,385	101,379	-	-	105,536	2,651,892	725,186
Total business-type activities program revenues	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	147,715,740
Total primary government program revenues	\$ 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	\$ 172,766,646

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET ASSETS**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue										
Governmental activities	(23,685,754)	(22,368,345)	(27,211,019)	\$ (31,002,661)	\$ (33,792,535)	\$ (29,832,374)	\$ (34,430,593)	\$ (38,999,923)	\$ (42,368,218)	\$ (37,217,204)
Business-type activities	754,784	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853	8,794,137	7,569,756	13,088,547	10,058,603
Total primary government net expense	<u>\$ (22,930,970)</u>	<u>\$ (18,987,087)</u>	<u>\$ (24,645,460)</u>	<u>\$ (26,133,832)</u>	<u>\$ (28,106,821)</u>	<u>\$ (21,011,521)</u>	<u>\$ (25,636,456)</u>	<u>\$ (31,430,167)</u>	<u>\$ (29,279,671)</u>	<u>\$ (27,158,601)</u>
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	\$ -	\$ -	\$ -	\$ -	\$ (99,747)	\$ (265,087)	\$ (263,362)	(280,562)	(268,927)	(268,936)
Investment earnings	-	-	-	-	20,755	1,557	-	-	-	-
Operating grants and contributions	-	-	-	3,675,205	-	784,909	6,581	21,410	5,565	5,574
Capital grants and contributions	-	-	-	2,866,289	852,039	-	-	-	-	-
Total City of Rocky Mount Theatre, LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,047</u>	<u>\$ 521,379</u>	<u>\$ (256,781)</u>	<u>\$ (259,152)</u>	<u>\$ (263,362)</u>	<u>\$ (263,362)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 13,927,812	\$ 14,557,102	\$ 15,125,425	\$ 15,473,269	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521	19,499,709	21,558,895	21,528,800
Local option taxes	7,108,787	8,312,645	9,218,640	9,940,317	10,444,807	8,269,778	10,092,744	9,436,526	8,916,046	8,961,679
Alcoholic beverage taxes	48,015	41,181	35,424	43,801	42,158	-	-	-	-	-
Other taxes	2,369,740	2,380,508	2,394,114	2,523,858	5,000,150	3,475,190	3,383,805	3,749,239	3,844,700	3,855,023
Investment earnings	438,519	315,810	281,293	571,906	953,803	1,554,069	980,278	436,902	122,011	86,433
Miscellaneous	1,838,285	1,507,250	1,584,818	1,550,358	(406,432)	460,298	2,618,315	1,793,793	2,335,138	2,601,852
Transfers	3,437,735	(2,244,790)	577,543	1,446,406	1,646,500	2,212,445	2,830,090	2,650,000	2,803,692	4,560,000
Total governmental activities	<u>29,168,893</u>	<u>24,869,706</u>	<u>29,217,257</u>	<u>31,549,915</u>	<u>33,220,048</u>	<u>33,629,804</u>	<u>38,093,753</u>	<u>37,566,169</u>	<u>39,580,482</u>	<u>41,593,787</u>
Business-type activities										
Investment earnings	269,709	157,284	106,197	190,001	884,326	1,244,435	1,274,137	933,065	733,274	471,838
Transfers	(3,437,735)	2,244,790	(577,543)	(1,446,406)	(1,646,500)	(2,212,445)	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)
Total business-type activities	<u>(3,168,026)</u>	<u>2,402,074</u>	<u>(471,346)</u>	<u>(1,256,405)</u>	<u>(762,174)</u>	<u>(968,010)</u>	<u>(1,555,953)</u>	<u>(1,716,935)</u>	<u>(2,070,418)</u>	<u>(4,088,162)</u>
Total primary government	<u>\$ 26,000,867</u>	<u>\$ 27,271,780</u>	<u>\$ 28,745,911</u>	<u>\$ 30,293,510</u>	<u>\$ 32,457,874</u>	<u>\$ 32,661,794</u>	<u>\$ 36,537,800</u>	<u>\$ 35,849,234</u>	<u>\$ 37,510,064</u>	<u>\$ 37,505,625</u>
<b>Change in Net Assets</b>										
Governmental activities	5,483,139	2,501,361	2,006,238	\$ 547,254	\$ (572,487)	\$ 3,797,430	\$ 3,663,160	\$ (1,433,754)	\$ (2,787,736)	\$ 4,376,583
Business-type activities	(2,413,242)	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843	7,238,184	5,852,821	11,018,129	5,970,441
Total primary government	<u>\$ 3,069,897</u>	<u>\$ 8,284,693</u>	<u>\$ 4,100,451</u>	<u>\$ 4,159,678</u>	<u>\$ 4,351,053</u>	<u>\$ 11,650,273</u>	<u>\$ 10,901,344</u>	<u>\$ 4,419,067</u>	<u>\$ 8,230,393</u>	<u>\$ 10,347,024</u>
Total City of Rocky Mount Theatre, LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,047</u>	<u>\$ 521,379</u>	<u>\$ (256,781)</u>	<u>\$ (259,152)</u>	<u>\$ (263,362)</u>	<u>\$ (263,362)</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<u>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>	<u>2011</u>
<b>General Fund</b>										
Reserved	\$ 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	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	-
Nonspendable	-	-	-	-	-	-	-	-	-	355,546
Restricted	-	-	-	-	-	-	-	-	-	8,455,455
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	1,433,525
Unassigned	-	-	-	-	-	-	-	-	-	8,700,100
<b>Total General Fund</b>	<b>\$ 16,335,755</b>	<b>\$ 17,664,363</b>	<b>\$ 17,192,197</b>	<b>\$ 17,542,848</b>	<b>\$ 17,935,975</b>	<b>\$ 22,730,906</b>	<b>\$ 26,297,834</b>	<b>\$ 23,868,667</b>	<b>\$ 22,164,051</b>	<b>\$ 18,944,626</b>
<b>All other governmental funds</b>										
Reserved	\$ 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	(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	1,163,555	1,121,206	236,233	(1,542,598)	(1,029,988)	488,298	947,958	2,616,371	1,677,341	-
Nonspendable, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	100,000
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	1,809,993
Capital projects funds	-	-	-	-	-	-	-	-	-	876,388
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	776,078
Capital projects funds	-	-	-	-	-	-	-	-	-	2,773,711
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	790,196
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	(124,272)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 12,377,817</b>	<b>\$ 11,823,743</b>	<b>\$ 22,691,297</b>	<b>\$ 11,508,838</b>	<b>\$ 6,598,151</b>	<b>\$ 3,894,968</b>	<b>\$ 3,014,649</b>	<b>\$ 4,846,841</b>	<b>\$ 4,051,740</b>	<b>\$ 7,002,094</b>
<b>Total governmental funds</b>	<b>\$ 28,713,572</b>	<b>\$ 29,488,106</b>	<b>\$ 39,883,494</b>	<b>\$ 29,051,686</b>	<b>\$ 24,534,126</b>	<b>\$ 26,625,874</b>	<b>\$ 29,312,483</b>	<b>\$ 28,715,508</b>	<b>\$ 26,215,791</b>	<b>\$ 25,946,720</b>

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)**

	<b>Fiscal Year</b>									
	<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>	<u>2011</u>
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 21,337,096
Intergovernmental revenues	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	25,081,411
Licenses and permits	1,018,506	1,014,465	959,509	1,062,447	1,154,278	1,093,244	1,065,569	950,558	948,416	883,621
Sales and services	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	7,777,765
Investment earnings	543,329	386,621	325,595	571,907	953,803	1,137,780	980,278	436,902	122,011	86,433
Contributions	-	-	-	-	1,750	-	-	-	-	-
Project revenue	798,228	639,197	755,317	953,509	1,956,496	2,248,049	2,240,943	2,369,044	2,703,369	3,346,505
Miscellaneous	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	3,355,682
<b>Total revenues</b>	<b>74,078,134</b>	<b>54,671,678</b>	<b>47,281,569</b>	<b>50,465,321</b>	<b>50,459,556</b>	<b>52,271,131</b>	<b>53,860,977</b>	<b>54,130,449</b>	<b>60,760,810</b>	<b>61,868,513</b>
<b>Expenditures</b>										
Current:										
General government	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	5,856,442
Public safety	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	25,204,655
Public service	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	8,142,128
Public works	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	10,684,706
Engineering	767,112	903,440	990,811	1,091,174	1,012,595	983,545	1,139,983	1,176,520	983,839	974,241
Parks and recreation	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	7,939,785
Community revitalization	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	4,422,615
Emergency management	1,284,794	1,087,972	-	2,263,801	-	-	-	-	-	-
Hazard Mitigation	23,979,181	5,847,233	469,501	93,386	344,245	-	-	-	-	-
Capital projects:										
General government	1,103,937	60,052	31,604	34,323	136,122	117,391	25,000	252,543	56,045	801,837
Public safety	560,155	951,801	944,470	413,219	65,665	875,842	99,006	856,699	558,465	1,099,129
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	274,414
Public service	101,110	92,048	217,888	47,341	2,763	36,654	1,644,876	1,346,759	6,418,173	1,478,933
Community revitalization	-	-	-	-	-	-	-	154,794	12,485	-
Debt service:										
Principal	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	2,980,771
Interest	359,316	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268
<b>Total expenditures</b>	<b>\$ 73,680,132</b>	<b>\$ 56,971,713</b>	<b>\$ 50,439,032</b>	<b>\$ 64,376,277</b>	<b>\$ 60,640,610</b>	<b>\$ 53,423,828</b>	<b>\$ 55,628,808</b>	<b>\$ 61,504,424</b>	<b>\$ 68,853,880</b>	<b>\$ 70,151,924</b>
<b>Excess of revenues over (under) expenditures</b>	<b>398,002</b>	<b>(2,300,035)</b>	<b>(3,157,463)</b>	<b>(13,910,956)</b>	<b>(10,181,054)</b>	<b>(1,152,697)</b>	<b>(1,767,831)</b>	<b>(7,373,975)</b>	<b>(8,093,070)</b>	<b>(8,283,411)</b>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**(modified accrual basis of accounting)**

	Fiscal Year									
	<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>	<u>2011</u>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 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	7,157,151
Transfers out	(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)	(1,849,151)
Capital contributions	-	-	-	100,388	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	1,305,000	1,084,661	410,339
Proceeds from installment purchase agreement	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	2,296,000
<b>Total other financing sources (uses)</b>	<b>5,111,735</b>	<b>3,074,569</b>	<b>13,552,851</b>	<b>3,079,148</b>	<b>2,371,500</b>	<b>3,244,445</b>	<b>4,454,440</b>	<b>6,777,000</b>	<b>5,593,353</b>	<b>8,014,339</b>
<b>Net change in fund balance</b>	<b>\$ 5,509,737</b>	<b>\$ 774,534</b>	<b>\$ 10,395,388</b>	<b>\$ (10,831,808)</b>	<b>\$ (7,809,554)</b>	<b>\$ 2,091,748</b>	<b>\$ 2,686,609</b>	<b>\$ (596,975)</b>	<b>\$ (2,499,717)</b>	<b>\$ (269,072)</b>
<b>Total debt service</b>	<b>\$ 2,538,875</b>	<b>\$ 2,058,423</b>	<b>\$ 2,367,257</b>	<b>\$ 2,944,236</b>	<b>\$ 3,588,105</b>	<b>\$ 3,151,061</b>	<b>\$ 2,735,646</b>	<b>\$ 3,467,527</b>	<b>\$ 3,646,403</b>	<b>\$ 3,273,039</b>
Total expenditures	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	70,151,924
Capital outlay primary government only	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	10,401,869
<b>Non-capital expenditures</b>	<b>\$ 62,574,556</b>	<b>\$ 49,083,855</b>	<b>\$ 43,460,799</b>	<b>\$ 49,520,837</b>	<b>\$ 50,629,970</b>	<b>\$ 48,140,538</b>	<b>\$ 51,100,095</b>	<b>\$ 54,558,876</b>	<b>\$ 63,265,443</b>	<b>\$ 59,750,055</b>
<b>Debt service as a percentage of non-capital expenditures</b>	4.06%	4.19%	5.45%	5.95%	7.09%	6.55%	5.35%	6.36%	5.76%	5.48%

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Service</b>	<b>Public Works and Engineering</b>	<b>Parks &amp; Recreation</b>	<b>Emergency Management Hazard Mitigation</b>	<b>Community Revitalization</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total Expenditures</b>
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
2011	6,658,279	26,303,784	9,621,061	11,658,947	8,214,199	-	4,422,615	-	3,273,039	70,151,924

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**

<b>Fiscal Year</b>	<b>Ad Valorem Taxes</b>	<b>Local Option Sales Tax</b>	<b>Franchise Tax</b>	<b>Tele-Communications Tax</b>	<b>Inventory Tax</b>	<b>Beer &amp; Wine Tax</b>	<b>Intangibles Tax Reimbursement</b>	<b>Licenses Permits &amp; Other Taxes</b>	<b>Total Tax Revenues</b>
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
2011	21,262,641	8,866,679	3,019,976	835,047	-	265,409	-	883,621	35,133,373

Source: Audited annual financial reports of the City of Rocky Mount  
Includes only General Fund.

Note: Ad valorem taxes includes penalties & interest

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Tele-communication Tax</u>	<u>Inter-Governmental Revenue</u>	<u>Licenses &amp; Permits</u>	<u>Sales and Services</u>	<u>Project Revenue</u>	<u>Investment Earnings</u>	<u>Other Revenue</u>	<u>Total Revenues</u>
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
2011	21,337,096	835,047	24,246,364	883,621	7,777,765	3,346,505	86,433	3,355,682	61,868,513

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Fiscal Year	Real Property				Personal Property	Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value	
	Residential Property		Commercial Property			Nash	Edgecombe					
	Nash	Edgecombe	Nash	Edgecombe								
2002 (5)	1,017,812,950	288,993,512	767,823,805	39,408,206	669,986,247	110,702,591	30,787,083	73,654,860	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	608,893,225	114,220,469	26,762,807	56,019,837	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	562,746,225	104,125,246	32,695,064	47,181,660	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	593,586,482	101,352,335	36,435,170	49,004,400	3,011,488,351	0.50	3,256,634,332	92.47%
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	631,198,099	86,492,902	36,173,019	42,110,137	3,068,079,978	0.50	3,436,851,062	89.27%
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425	36,836,521	38,935,022	3,232,396,715	0.55	3,795,146,495	85.17%
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	638,241,681	73,577,842	34,582,543	38,951,598	3,307,759,196	0.58	3,392,345,413	97.51%
2010 (4&5)	1,466,556,229	409,793,603	1,106,349,436	96,124,426	640,883,468	73,864,477	39,404,429	46,781,653	3,879,757,721	0.55	3,925,781,032	98.83%
2011	1,469,281,707	419,703,338	1,108,405,499	85,963,334	634,273,081	70,699,771	40,818,345	46,879,116	3,876,024,191	0.55	3,978,527,748	97.42%

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>	
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
2011	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>	
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
2011	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	2011			2002		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc <sup>a</sup>	Pharmaceuticals	\$153,446,015	1	3.96 %	\$70,484,402	1	2.35 %
RBC Bank	Banking	53,935,648	2	1.39	46,978,334	3	1.57
Carolina Telephone Company	Communications	46,875,471	3	1.21	42,382,930	4	1.41
Edgecombe Genco LLC <sup>e</sup>	Electrical Energy Producer	41,619,349	4	1.07	58,247,693	2	1.94
Hendon Golden East LLC <sup>o</sup>	Retail Shopping Center	35,681,035	5	0.92	24,445,767	5	0.82
Cobb Corners Ltd. Partnership	Retail Shopping Center	27,115,790	6	0.70			0.00
Kaba Ilco Corp <sup>c</sup>	Key & Security System Manufacturer	18,202,472	7	0.47	24,267,898	6	
Honeywell International Inc <sup>d</sup>	Aircraft Manufacturer	17,971,024	8	0.46	23,858,866	7	0.80
Boddie Noell Enterprises Inc	Restaurant Operator & Land Development	14,558,454	9	0.38			
Progress Energy Carolinas	Electrical Energy Producer	14,226,993	10	0.37			
AT & T Communications	Communications				22,431,354	8	0.75
Amoco Fabrics and Fibers <sup>†</sup>	Textile Manufacturer				19,213,796	9	0.64
Interstate Brands Co. Ry Mt Inc	Bakery				16,637,727	10	0.55
<b>Total</b>		<b>\$423,632,251</b>		<b>10.93 %</b>	<b>\$348,948,767</b>		<b>10.83 %</b>

Source: City of Rocky Mount Finance Dept

<sup>a</sup> Formerly Abbott Laboratories

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

<sup>c</sup> Formerly Ilco Unican Corporation

<sup>d</sup> Formerly Allied Signal

<sup>e</sup> Formerly Cogentrix of Rocky Mount

<sup>†</sup> Formerly American Fabrics and Fibers

**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
2002	13,205,016	323,838	13,528,854	12,411,433	93.99	1,008,347	13,419,780	99.19
2003	14,241,109	277,126	14,518,235	13,464,833	94.55	907,717	14,372,550	99.00
2004	14,676,242	312,828	14,989,070	14,046,434	95.71	801,539	14,847,973	99.06
2005	15,314,550	364,564	15,679,114	14,652,620	95.68	889,970	15,542,590	99.13
2006	15,188,026	462,745	15,650,771	14,663,915	96.55	823,995	15,487,910	98.96
2007	17,089,087	446,763	17,535,850	16,403,053	95.99	911,297	17,314,350	98.74
2008	17,697,125	434,597	18,131,722	16,811,692	95.00	1,064,566	17,876,258	98.59
2009	19,086,402	454,441	19,540,843	18,132,030	95.00	1,068,010	19,200,040	98.26
2010	21,219,040	420,700	21,639,740	20,125,420	94.85	733,951	20,859,371	96.39
2011	21,239,809	78,465	21,318,274	19,993,488	94.13		19,993,488	93.79

Source: City of Rocky Mount Finance Department

**City of Rocky Mount, North Carolina**

**Electric Utility Revenue Rates  
Fiscal Year 2010 -2011**

<b>Service Type</b>	<b>Monthly Customer Charge</b>	<b>Monthly Customer Charge-Single Phase</b>	<b>Monthly Customer Charge-Three Phase</b>	<b>Monthly Customer Charge-Under 1,000 kW</b>	<b>Monthly Customer Charge-1,000 - 2,500 kW</b>	<b>Monthly Customer Charge-Over 2,500 kW</b>	<b>Monthly Energy Charge/kWH</b>	<b>Monthly Energy Charge-First 750 kWH/kWH</b>	<b>Monthly Energy Charge-Next 1250 kWH/kWH</b>	<b>Monthly Energy Charge-All Over 2000 kWH/kWH</b>	<b>Monthly Energy Charge-First 2000 kWH/kWH</b>	<b>Monthly Energy Charge-Additional kWH/kWH</b>
Residential		10.00	25.00				0.131538					
Small General Service		18.22	31.90					0.158244	0.131759	0.124472		
Medium General Service		19.01	33.29				0.097561					
Large General Service	807.20						0.073988					
Coordinated Demand Control Service				189.68	695.49	1,327.76	0.058375					
Med General Seasonal/Intermittent		26.60	40.88								0.145534	0.115393

**Source: City of Rocky Mount Administrative Policy**

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

**City of Rocky Mount, North Carolina**

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

	<b>Fiscal Year</b>									
	<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>	<u>2011</u>
<b>Residential-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	7.79	7.79	8.16	8.26	9.23	9.23	9.23	10.00	10.00	10.00
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.15	11.68	11.83	13.22	13.22	13.22	15.00	15.00	15.00
Monthly Energy Charge/kWH					0.12	0.11	0.11	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	0.10	0.10	0.11	0.11	-	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	0.09	0.09	0.09	0.09	-	-	-	-	-	-
<b>Small General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	14.85	14.85	15.56	15.75	17.60	17.60	17.60	18.22	18.22	18.22
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.15	11.68	11.83	13.22	13.22	13.22	13.68	13.68	13.68
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.11	0.11	0.12	0.12	0.14	0.14	0.14	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.09	0.09	0.10	0.10	0.11	0.11	0.11	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.08	0.09	0.09	0.09	0.11	0.11	0.11	0.12	0.12	0.12
<b>Medium General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	14.85	14.85	15.56	15.75	17.60	17.60	17.60	19.01	19.01	19.01
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.15	11.68	11.83	13.22	13.22	13.22	14.28	14.28	14.28
Monthly Energy Charge/kWH	0.06	0.07	0.07	0.07	0.08	0.08	0.08	0.10	0.10	0.10
<b>Large General Service-rates at fiscal year-end</b>										
Monthly Customer Charge	619.00	619.00	656.71	733.82	733.82	733.82	733.82	807.20	807.20	807.20
Monthly Energy Charge/kWH	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07

**City of Rocky Mount, North Carolina**

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

	<b>Fiscal Year</b>									
<b>Coordinated Demand Control Service-rates fiscal end</b>	<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>	<u>2011</u>
Monthly Customer Charge-Under 1,000 kW	150.00	150.00	157.17	157.17	175.63	175.63	175.63	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	550.00	550.00	576.30	576.30	643.97	643.97	643.97	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	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	1,327.76
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06
<b>Med General Seasonal/Intermittent-rates fiscal end</b>	<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>	<u>2011</u>
Monthly Customer Charge-Single Phase	14.85	14.85	15.56	15.75	17.60	17.60	17.60	26.60	26.60	26.60
Monthly Customer Charge-Three Phase	26.00	26.00	27.24	27.58	30.82	30.82	30.82	40.88	40.88	40.88
Monthly Energy Charge-First 2000 kWh/kWH	0.10	0.10	0.11	0.11	0.12	0.12	0.12	0.15	0.15	0.15
Monthly Energy Charge-Additional kWh/kWH	0.08	0.08	0.08	0.08	0.10	0.09	0.09	0.12	0.12	0.12

**Source: City of Rocky Mount Administrative Policy**

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

**City of Rocky Mount, North Carolina**

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

Type of Business	2011			2002		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 96,571,509	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 63,371,589
Healthcare	\$ 2,182,049	1	2.26%	\$ 1,290,718	2	2.04%
Key & Security System Manufacturer	998,649	2	1.03%	764,476	4	1.21%
Plastic Packaging Manufacturer	963,913	3	1.00%	-		
Bread Distributor	928,661	4	0.96%	730,290	5	1.15%
Food Distributor	916,797	5	0.95%	508,617	8	0.80%
Bakery Production Facility	817,422	6	0.85%	-		
Department Store	661,754	7	0.69%	-		
Communications	622,998	8	0.65%	503,784	9	0.79%
Elevator Products Manufacturer	472,860	9	0.49%	425,217	10	0.67%
Bakery Production Facility	432,756	10	0.45%	-		
Textile Manufacturer	-			1,971,083	1	3.11%
Textile Manufacturer	-			773,875	3	1.22%
Textile Manufacturer	-			695,483	6	1.10%
Food Distributor	-			517,314	7	0.82%
	<u>\$ 8,997,859</u>		<u>9.32%</u>	<u>\$ 8,180,857</u>		<u>12.91%</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Power</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2011	96,025,207	77,389,296	14,340,205	4,295,706	(99,146)	4,196,560	(2,181,700)	2,014,860	2.1%

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2011	94,371,459	1,653,748	-	318,300	228,002	96,571,509

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Commercial</b>	<b>Seasonal</b>	<b>Other Lights</b>	<b>Total Revenues</b>
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
2011	44,716,962	44,365,860	2,970,260	315,935	2,002,442	94,371,459

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Gas</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2011	24,079,519	16,116,224	6,245,513	1,717,782	(29,343)	1,688,439	(1,400,000)	288,439	1.2%

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## GAS FUND REVENUES BY SOURCE

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2011	24,063,284	16,235	54,603	24,134,122

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### GAS FUND USER CHARGES

#### Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Special</b>	<b>Seasonal</b>	<b>Other</b>	<b>Total Revenues</b>
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
2011	12,704,787	6,881,866	1,021,194	3,106,369	349,068	-	24,063,284

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income (loss)</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
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%
2011	11,663,325	9,031,332	2,631,993	(47,282)	2,584,711	(408,767)	2,175,944	18.7%

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2011	11,424,381	46,990	191,954	52,750	91,233	59,883	11,867,191

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## WATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Inside City</b>	<b>Outside City</b>	<b>Municipal</b>	<b>Other</b>		<b>Total Revenues</b>
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
2011	9,106,840	748,923	1,568,618	-	\$	11,424,381

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### SEWER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
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%
2011	11,817,647	10,546,926	1,270,721	(234,530)	1,036,191	240,815	1,277,006	10.8%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SEWER FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
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
2011	11,641,154	37,111	139,382	300,815	103,151	12,221,613

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>
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
2011	9,085,866	494,932	87,046	1,950,726	22,585	11,641,154

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

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income</u>	<u>Nonoperating Revenues &amp; (Expenses) Net</u>	<u>Income (Loss) Before Capital Contributions and Transfers</u>	<u>Capital Contributions &amp; Transfers In (Out) Net</u>	<u>Net Income (Loss)</u>	<u>Ratio of Net Income to Operating Revenues</u>
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%
2011	3,352,106	3,054,109	297,997	1,357	299,354	(85,162)	214,192	6.4%

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 Eight Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2004	\$ 2,246,746	\$ -	\$ -	\$ 2,137	\$ 2,248,883
2005	2,333,267	-	-	23,603	2,356,870
2006	2,673,764	-	-	77,107	2,750,871
2007	2,666,750	-	-	122,104	2,788,854
2008	2,691,342	-	-	111,921	2,803,263
2009	2,918,643	100	-	59,734	2,978,477
2010	2,930,985	2,770	43,126	33,349	3,010,230
2011	3,351,376	730	14,838	26,199	3,393,143

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 Eight Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Multi-family</b>	<b>Commercial</b>	<b>Total Revenues</b>
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	744,151	170,866	1,751,733	2,666,750
2008	744,473	184,058	1,762,811	2,691,342
2009	790,210	195,884	1,932,549	2,918,643
2010	783,135	196,926	1,950,925	2,930,985
2011	882,349	229,915	2,239,111	3,351,376

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Capital Leases	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases			
2002	7,859,323	420,000	-	174,236	6,669,114	8,805,886	-	6,484,671	30,413,230	0.86%	543.11
2003	6,907,494	135,000	-	25,374	5,781,335	7,633,665	-	3,881,565	24,364,433	0.67%	433.46
2004	17,435,317	135,000	-	157,984	4,908,640	6,481,360	-	3,058,425	32,176,726	0.84%	573.19
2005	16,519,537	-	-	144,683	4,051,029	5,348,971	592,893	9,219,339	35,876,452	0.91%	637.14
2006	14,828,599	-	-	111,288	3,210,656	4,239,344	1,194,328	8,987,480	32,571,695	0.78%	578.64
2007	13,760,314	-	1,500,000	-	2,385,366	3,149,634	4,253,610	7,717,568	32,766,492	0.77%	581.34
2008	13,323,336	-	1,300,000	17,000	1,577,315	2,082,685	4,255,536	7,826,068	30,381,940	0.68%	539.03
2009	13,366,200	1,305,000	1,100,000	17,000	782,193	1,032,807	4,033,543	10,216,290	31,853,033	0.69%	537.80
2010	12,068,881	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946	33,811,776	0.70%	561.47
2011	12,477,111	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382	33,111,304	not available	576.08

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

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			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	Total			
2002	15,475,000	0	15,475,000	1.12%	0.49%	276
2003	13,415,000	0	13,415,000	0.95%	0.41%	239
2004	11,390,000	0	11,390,000	0.77%	0.33%	203
2005	9,400,000	0	9,400,000	0.62%	0.26%	167
2006	7,450,000	0	7,450,000	0.46%	0.20%	132
2007	5,535,000	0	5,535,000	0.34%	0.16%	98
2008	3,660,000	0	3,660,000	0.21%	0.09%	65
2009	1,815,000	0	1,815,000	0.10%	0.05%	31
2010	-	0	0	0.00%	0.00%	0
2011	-	0	0	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, 2011

<u>Name of Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount<sup>1</sup></u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt			
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	11,019,000	18.0%	1,983,420
Water & Sewer Bond			
Anticipation Notes	2,072,000	18.0%	372,960
Nash County	<u>-</u>	82.0%	<u>-</u>
Total Overlapping Debt	<u>\$ 13,091,000</u>		<u>\$ 2,356,380</u>
Total direct and overlapping debt	<u>\$ 13,091,000</u>		<u>\$ 2,356,380</u>

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**COMPUTATION OF LEGAL DEBT MARGIN**

**Last Ten Fiscal Years**

**(amounts expressed in thousands)**

	<u>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>	<u>2011</u>
Debt Limit	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	<u>\$ 239,934</u>	<u>\$ 237,471</u>	<u>\$ 234,847</u>	<u>\$ 245,089</u>	<u>\$ 245,446</u>	<u>\$ 250,175</u>	<u>\$ 258,592</u>	<u>\$ 264,621</u>	<u>\$ 310,381</u>	<u>\$ 310,082</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value	\$3,876,024,191
Debt Limit (8% of total assessed value) (1)	310,081,935
Debt applicable to limitation:	
Total outstanding bonded debt at 6/30/11	-
Less: Statutory deductions (2 and 3)	
Bonds issued and outstanding for water purposes	-
Bonds issued and outstanding for sewer purposes	-
	<u>-</u>
Total amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u><u>\$310,081,935</u></u>

Notes:

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PLEDGED REVENUE COVERAGE - WATER & SEWER**

Last Ten Fiscal Years

Fiscal Year	Sewer Bonds						
	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			Coverage
				Principal	Interest	Total	
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%
2011	11,583,117	8,723,797	2,859,320	-	-	-	100.00%

Fiscal Year	Water Bonds						
	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			Coverage
				Principal	Interest	Total	
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%
2011	11,616,043	7,716,163	3,899,880	-	-	-	100.00%

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

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

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Years**

<b>Year</b>	<b>City Population (1)</b>	<b>Rocky Mount MSA(a) Personal Income (Millions) (2)</b>	<b>Rocky Mount MSA(a) Per Capita Income (2)</b>	<b>Rocky Mount MSA(a) Unemployment Rate (3)</b>	<b>Rocky Mount MSA(a) Retail Sales (Millions) (4)</b>
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	4,803.6	31,504	13.2%	562.2
2011	57,477	not available	not available	13.7%	668.8

- 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**

<b>Employer</b>	<b>2011</b>			<b>2002</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA (a) Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA (a) Employment</b>
Nash Rocky Mount Schools	2,275	1	3.71%	2,400	1	3.87%
Hospira	1,800	2	2.93%	2,322	2	3.74%
Nash Health Care Systems	1,480	3	2.41%	1,725	3	2.78%
RBC Centura	1,250	4	2.04%	950	5	1.53%
Cummins-Rocky Mount Engines	1,150	5	1.87%	1,278	4	2.06%
CenturyLink/ Sprint	1,000	6	1.63%	550	9	0.89%
Universal Leaf	1,000	7	1.63%			0.00%
Kaba Ilco Corporation	575	8	0.94%	638	7	1.03%
McLane North Carolina	570	9	0.93%	622	8	1.00%
West Customer Management Group	450	10	0.73%			0.00%
IBC Merita Wonder Bakery			0.00%	650	6	1.05%
Aegis Communications			0.00%	400	10	0.64%
	<u>11,550</u>		<u>18.82%</u>	<u>11,535</u>		<u>18.60%</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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	102	100	103	101	106	105	113	112	123	120
Public Safety										
Police	181	177	175	184	193	191	193	204	220	220
Fire	124	132	136	136	133	133	148	146	144	142
Public Works	133	132	101	104	104	103	108	105	103	100
Engineering	22	21	24	24	23	25	24	25	25	25
Parks & Recreation	58	55	58	58	61	66	63	66	64	66
Public Service	3	2	2	2	2	4	4	4	4	4
Economic Development	24	26	25	23	20	20	22	22	24	20
Electric	55	50	53	54	58	59	63	64	67	69
Gas	18	19	20	21	21	18	19	20	19	18
Water	59	60	62	62	62	55	62	61	62	47
Sewer	26	27	27	27	25	27	24	24	24	37
Storm Water		1	32	32	33	31	34	37	38	39
Total	804	801	818	828	840	837	877	890	917	907

Source: Finance Department

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Police										
Physical arrests	8,934	10,714	9,221	8,911	8,270	11,367	10,985	11,524	12,030	12,281
Traffic violations	7,468	8,087	6,655	5,963	4,114	6,741	6,381	10,073	10,137	10,570
Fire										
Number of calls answered	5,234	5,453	6,442	7,050	7,750	7,679	8,238	8,982	9,346	9,630
Inspections	2,236	3,350	2,686	2,862	2,957	2,361	2,174	2,491	2,385	2,009
Water										
Number of meters	23,800	24,258	26,379	26,915	24,700	24,998	25,172	24,314	24,364	24,927
Avg daily consumption (millions of gallons)	13.3	11.6	11.9	11.9	11.3	11.5	10.11	9.41	10.04	10.44
Peak daily consumption (millions of gallons)	20.0	15.2	16.0	17.0	16.4	13.5	15	15.99	16.39	16.00
Wastewater										
Avg daily sewer treatment (millions of gallon:	13.8	15.1	12.4	12.4	10.2	12.8	8.5	9.9	11.47	9.33

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### CAPITAL ASSET STATISTICS BY FUNCTION

#### Last Ten Fiscal Years

	<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>	<u>2011</u>
<b>Function/Program</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	52	60	60	58	58	42	51	51	58	59
Fire										
Stations	6	6	7	7	7	7	7	7	7	7
Public Works										
Streets (miles)	265	268	270	272	268	263	281	283	284	284
Streetlights	6,600	6,739	6,957	6,957	6,957	6,850	6,913	6,919	6,830	6,830
Recreation and Parks										
Parks	46	46	46	46	41	39	41	41	41	41
Acreage	472	472	481	481	499	506	481	521	558	558
Swimming Pools	-	-	1	1	2	2	2	2	2	2
Tennis Courts	40	34	30	30	37	34	37	37	37	36
Recreation centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	300	350	360	360	461	473	480	480	480	489
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	11	11	11	11	11	10	10	10	9.25	9.25
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	691	665	680	429	687	720	734	735	733	733

