

Annual Comprehensive Financial Report



ROCKY MOUNT, NC
THE CENTER OF IT ALL

Fiscal Year Ended June 30, 2023

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by the City of Rocky Mount Finance Office
Krystal Hunter, Finance Officer**

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

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Excellence in Financial Reporting**
- **Organizational Chart**
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December 28, 2023

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

State law requires that all general-purpose local governments publish 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 annual comprehensive financial report (ACFR) of the City of Rocky Mount, North Carolina (City) for the fiscal year ended June 30, 2023.

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 Mauldin & Jenkins, LLC, 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, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal

requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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

PROFILE OF THE CITY

The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is in eastern North Carolina in the coastal plains area. The City has a population of approximately 54,941 and straddles the Nash and Edgecombe County line, encompassing 45.46 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The City has a formal operating budget process, which begins in February of each year. The City Council receives the recommended budget in late May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. Legal budgetary control for operating budgets is exercised at the fund (e.g. General) and department (e.g. Police) level. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the City Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted. For the General fund, this comparison is presented on pages 41 and 42 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 137. 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 143.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy. Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. Rocky Mount is ranked as the 19th largest city in the state of North Carolina. Rocky Mount has an economy that is driven by knowledge-based enterprises, including advanced manufacturing, software and information technology, bio-pharmaceuticals and financial services. Among the area's leading products are pharmaceuticals, diesel engines, bakery products, processed tobacco, key systems, electronic controls, and automotive fuel systems. Situated where Interstate-95, the main north/south thoroughfare on the East Coast meets U.S. 64, Rocky Mount is in the heart of the Eastern Seaboard. With easy access to U.S. 264, U.S. 301, and Interstates 40 and 85 Rocky Mount is situated in very close proximity to an excellent overland transportation system.

Local employment growth improved in the past year and remains a challenging aspect of our overall economic picture. A significant share of our employment base is tied to manufacturing and logistics (transportation and warehousing), which are historically vulnerable to economic volatility. For the 12—month period ending June 30, 2023, employment within the City of Rocky Mount grew by 1.5%, with the June 2023 unemployment rate reaching 6.5%, compared to the June 2022 unemployment rate of 7.4%. For the same period, employment with the Rocky Mount Metropolitan Statistical Area also grew by 1.5%, with the June 2023 unemployment rate reaching 5.2%, compared to the June 2022 unemployment rate of 5.9%.

City staff works aggressively with Carolinas Gateway Partnership and the Rocky Mount Chamber of Commerce to recruit new business and encourage expansion of existing businesses. The North Carolina Department of Commerce provides additional support through the award of Building Reuse Grants passed through the City to provide financial assistance for renovation to existing structures. The grants are designed to help revitalize communities and create new jobs. For the Fiscal Year ending June 30, 2023, the City was approved for \$300 thousand dollars in grant funds to recruit new businesses and support expansion efforts. The total for this project represents more than \$5 million being invested in the community and is projected to create 42 new jobs in the area over the next two years. The following is a brief description of the project being assisted through this program.

Woodgrain, Inc., an international company engaged in lumber, mill working, window manufacturing, door manufacturing, and distribution, assumed ownership of a formerly vacant manufacturing building on the north end of the City along the US 301 corridor. The company plans to renovate the facility for expansion of operations, adding 42 new jobs to operate and manage the facility.

The following is an update on previous recruitment efforts.

Hubble Power Systems, a national company, manufactures a wide range of electric power products used by utilities industries, residential construction, and transportation. The company is upfitting its Rocky Mount facility to expand manufacturing and distribution operations and to create 73 new jobs.

The CSX Corporation intermodal facility, The Carolina Connector, began its transportation operations in 2021. The 330-acre rail yard transfers cargo containers from tractor-trailers to trains for transport.

NCDOT invested \$118.1 million for site development and roadway construction. CSX contributed \$40 million to the project including cost for property, equipment, design and construction oversight and operational expertise. The DOT conducted an economic impact evaluation in 2019 and determined the facility will have an indirect job impact of up to 1,300 jobs. In November 2021, CSX announced its Wilmington Midwest Express, a direct rail connection service between the Carolina Connector site and midwest markets like Chicago and St. Louis. The new service will move cargo containers from the Port of Wilmington and other east coast ports to the Midwest with faster transit times, reducing shipping costs and lowering emissions. This connection was expanded in 2022 to increase service to the Port of Wilmington, and additional service was established between the Carolina Connector and the Port of Savannah. It is anticipated that logistics firms, trucking companies and other businesses with economic ties to the terminal will set up shop nearby, making Rocky Mount a logistics powerhouse. Rocky Mount's strategic location in the state, its growing industrial market, and the company's existing rail operations and existing ties were the deciding factor in selecting the terminal's location.

The City remains committed to revitalizing the Downtown Business District and Community with a focus on small business and the development of affordable workforce housing. Construction continued for the Five Point Crossing area of a 50-unit apartment building with parking lot. The building is located close to the Edgecombe Community College and a growing business district. This project represents an \$8.4 million investment in Rocky Mount. Construction was completed in Spring 2023.

The City of Rocky Mount has partnered with Metronet, the nation's largest independently owned fiber optic provider, to bring high-speed broadband internet service to the region. The fiber optic network is expected to take 1 year in construction and service to some residents and business could begin as soon as 2024. Additionally, the City is working with an existing fiber optic provider, Brightspeed (formerly Lumen/Centurlink), to assist their upgrade of existing service for residents and businesses, which should be available for use in 2024.

Rocky Mount has long been a sports destination for Eastern North Carolina. The Sports Complex and the Rocky Mount Event Center have increased the attraction to Rocky Mount. The Event Center is managed by Sports Facilities Management and is included in the SFM (Sports Facility Management) Network, one of the leading authorities in youth and amateur sports. The Event Center also hosted business meetings, banquets, private parties, and sports events for a combined total of 370+ bookings that generated \$1.89 million dollars, a 35% increase from last year's revenues. Highlight events this year included 4 concerts attracting 5,734 total attendees, 10 volleyball tournaments with 25,552 attendees, a varsity cheer sport competition with 1,860 attendees, and a youth conference with 2,500 attendees. The 165,000 square foot multi-use facility features eight basketball and sixteen volleyball courts, a family entertainment area, meeting and conference rooms, banquet hall and other offices. The Rocky Mount Event Center is playing a pivotal role in indoor, safe, family fun with a 15,000 square foot Family Entertainment Center that includes an indoor ropes course, play area and party rooms.

The city received \$1 million in grants to restore facilities and amenities at Sunset Park, a centrally-located and heavily-frequented recreation space along the Tar River. This project includes replacement of playgrounds and shelters and improvements to the adjacent Tar River Greenway. The U.S. Department of Interior announced Rocky Mount as a recipient of a grant of \$500,000 from its Land and Water Conservation Fund (LWCF), and the North Carolina Department of Natural and Cultural Resources awarded the City a \$500,000 grant from the Parks and Recreation Trust Fund (PARTF) for this project. Additional funding is being requested from the State's Recreation Trails Program (RTP) for associated improvements to the adjacent Greenway.

Several new Transportation infrastructure projects for the City were awarded by the North Carolina Department of Transportation in their 2024-2033 State Transportation Improvement Program (STIP). These projects are intended to improve traffic safety, alleviate congestion, support increased multimodal traffic demand due to economic growth projections, and address prior disinvestment and lack of equitable transportation infrastructure in select portions of the City. The Sunset Avenue interchange project remains under construction, along with many other North Carolina Department of Transportation highway projects. The following project descriptions were taken from the North Carolina Department of Transportation Website:

- Improvements to US 64 to facilitate conversion to Interstate 87.
- Preliminary engineering for planned improvements to NC 97 (Atlantic Avenue) to include pedestrian and bicycle improvements.
- Construction of streetscape improvements, including pedestrian and bicycle improvements, for US 301 Business (Church Street)

State projects currently under construction include

- Benvenue Road and US 64 Off Ramp roundabout. The US 64 bypass off ramp at Benvenue Road is being converted into a roundabout.
- Sunset Avenue Pedestrian Signals. Construct new pedestrian signals on Sunset Avenue from May Drive, to Church Street.
- Eastern Avenue/Sunset Avenue will be widened to four lanes with a median between Red Oak and Halifax roads.
- Eastern Avenue Bicycle Boulevard. Shared bicycle road markings, and speed cushions were added to Eastern Avenue, from Stith Talbert Park to Glendale Drive, a total of 2.3 Miles of bicycle boulevard.

These new projects will be completed in several phases over the coming years. These new multimodal transportation projects are expected to bring both commercial and residential growth to the City of Rocky Mount, and the Rocky Mount Urbanized area.

Long-term financial planning. The City is committed to budget and to expend available resources in a manner that will continue the improvement of the City's fiscal condition and protecting and building reserves for future operating and capital needs. One of the primary commitments of the City is the long-term community redevelopment program to bring back life and energy to the downtown community. Rocky Mount's Central City-focused initiatives of the past two decades have set the groundwork for the redevelopment of downtown Rocky Mount. The Douglas Block, an area that has been the focus of extensive revitalization efforts, is the site of the revitalized Douglas Block business district and the Rocky Mount Event Center. City leaders are reviewing strategies to provide affordable housing throughout the City. Continued revitalization and affordable housing are primary focuses for the near future.

The City's annual operating budget balances projected revenues from taxes, fees and other sources of expenditures reflecting ongoing operations, strategic initiatives and other important investments. City Council's established goals and objectives serve as the guide in decision making, along with the City's shared values of excellent public service, excellent customer service, and innovation. Fiscal year 2024 focuses available resources on balancing the budget for existing services and projects, continued

protection of the City’s fiscal condition, to ensure effective delivery of essential services, and continued planning and implementation of strategic initiative and investments designed to improve quality of life and economic development opportunities for all City residents. The City maintains the goal to affirm Rocky Mount as the leader of the Twin County Region by promoting and implementing aggressive initiatives to encourage residential, commercial, and industrial development in and around Rocky Mount. The goal is to strengthen its position as an economic, cultural and educational center in Eastern North Carolina. The budget also provides for effectively maintaining and improving public infrastructure, including roadways, utility systems and public facilities and enabling implementation of recent planning activities.

The proposed budget provides the framework to address priorities, accommodate challenges and continue improvement of our long-term financial picture. The tax rate for fiscal year 2024 remains at \$.685 per \$100 assessed value.

The 2024 budget includes full funding of an employee class and compensation plan approved by City Council in June 2023 and provides provisional funding to cover the salary and benefit costs for pay for performance increases from 2.0% - 4.0% for all eligible full-time employees.

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 (NCCMT), North Carolina Cooperative Liquid Assets Securities System (CLASS), an SEC registered mutual fund, and public money market funds held at banking institutions. The average yield on all cash and investments was .03%.

All of the City’s investments at June 30, 2023, were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2023, the City’s cash resources were invested as follows:

Cash on hand	\$ 38,875
Cash in traditional bank accounts	10,833,092
Lease escrow funds	5,203,302
North Carolina Capital Management Trust	99,511,900
North Carolina Class	1,011,501
Total	<u><u>\$ 116,598,670</u></u>

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through the purchase of commercial insurance for primary and/or excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control techniques are practiced by the City including employee safety programs, a drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City’s insurance coverage and self-insured retentions are more fully described in note 12 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 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 12.14% for employees not engaged in law enforcement and 13.04% for law enforcement officers. The State announced that the employer contribution rates for fiscal year 2024 would be increased to 12.89% for employees not engaged in law enforcement and increased to 14.04% for law enforcement officers.

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

The City provides postemployment health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and who meet certain criteria that are more fully described in note 9 of the financial statements. Currently, 182 retirees are eligible for postretirement health benefits. The City is currently funding the benefit payments on a pay as you go basis.

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. Additional information on the City's pension arrangements and postemployment benefits can be found in note 9 of the financial statements.

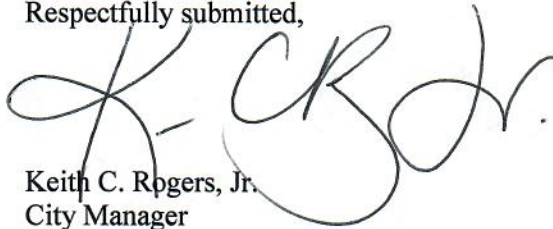
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty-ninth 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 ACFR, whose contents conform to program standards. Such a ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

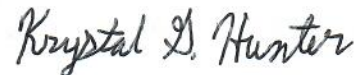
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

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 Mauldin & Jenkins, LLC, 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,



Keith C. Rogers, Jr.
City Manager



Krystal G. Hunter
Finance Director



Government Finance Officers Association

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

Presented to

**City of Rocky Mount
North Carolina**

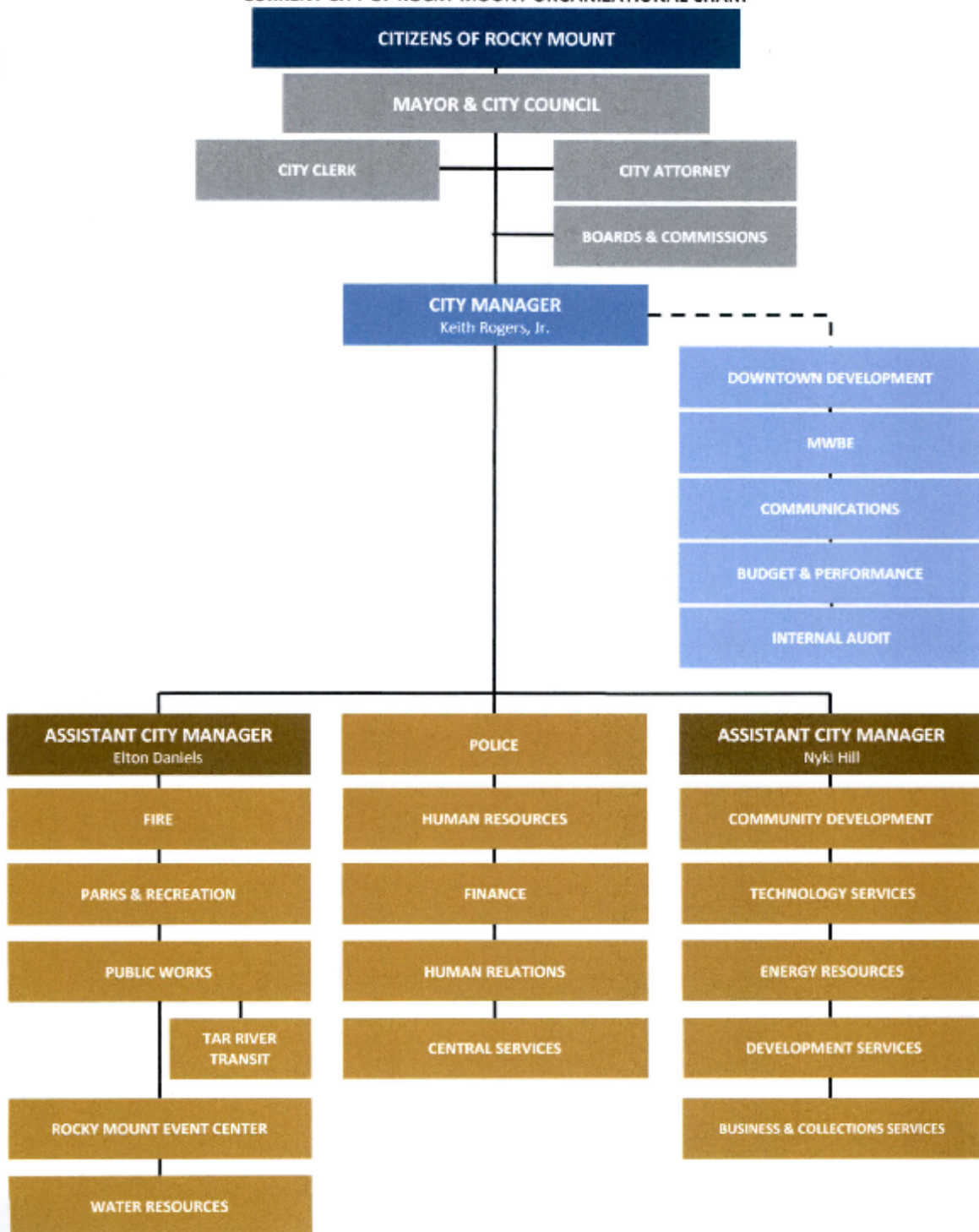
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CURRENT CITY OF ROCKY MOUNT ORGANIZATIONAL CHART



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL

C. Saunders Roberson, Jr., Mayor

T.J. Walker, Jr., Mayor Pro-tem

Reuben C. Blackwell, IV

Richard Joyner

Tom Harris

Lige Daughtridge

Andre Knight

Jabaris D. Walker

CITY ADMINISTRATION

Keith Rogers, Jr., City Manager

Elton Daniels, Assistant City Manager

Nyki Hill, Assistant City Manager

FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **City of Rocky Mount, North Carolina** (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the schedules related to the City's defined benefit pension and other post-employment benefit (OPEB) plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, budget to actual schedules, other supplemental schedules, and schedule of capital assets used in the operations of governmental fund schedules (collectively, "the supplementary information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

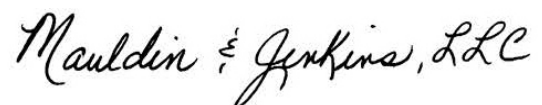
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Raleigh, North Carolina
December 28, 2023

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, 2023. 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.

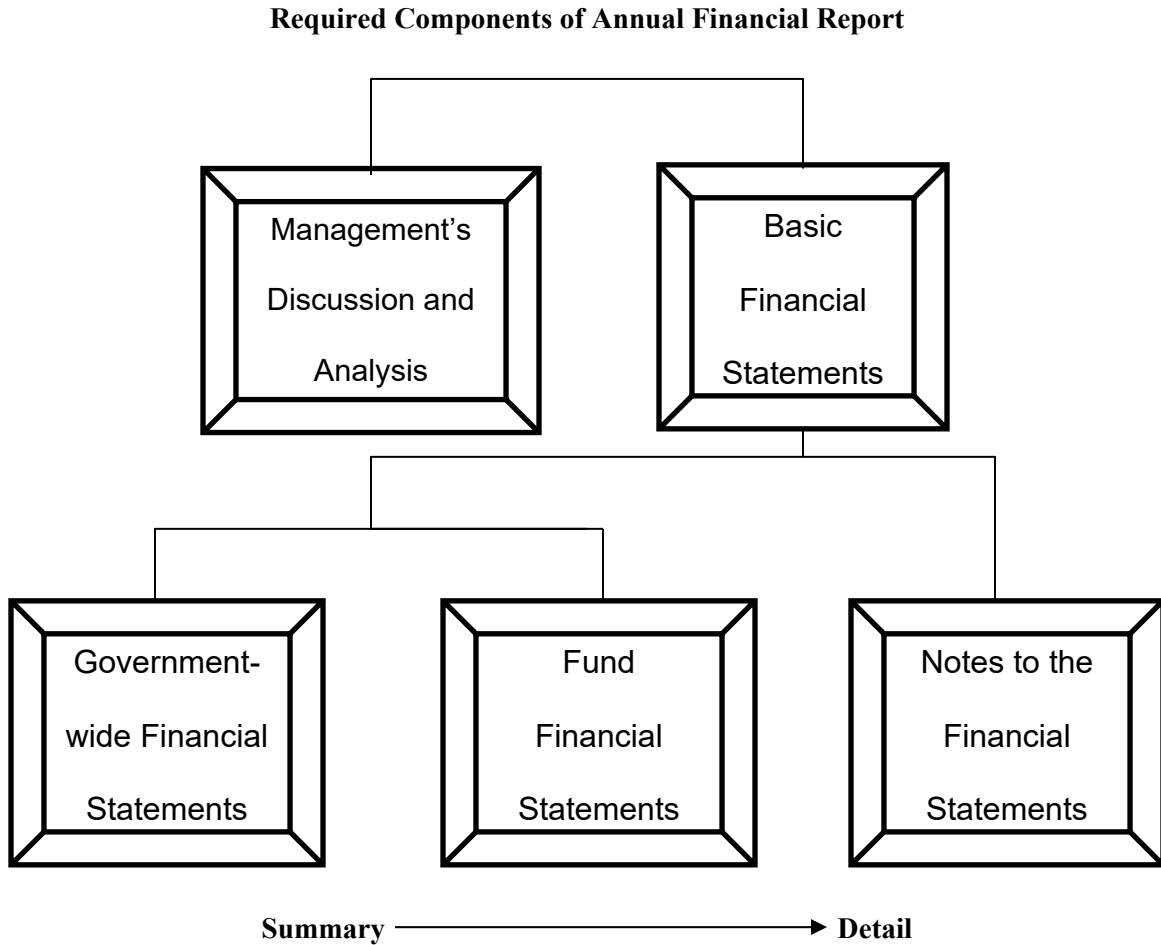
Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$328,793,021 (net position). The net position of the governmental activities is \$121,647,618 and the net position of the business-type activities is \$207,145,403.
- The government's total net position decreased by \$4,694,380. Governmental activities net position increased by \$7,052,664 and business-type activities net position decreased by \$11,747,044.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$68,853,321, an increase of \$5,733,980 from the prior year. Approximately 60% of this total amount, or \$37,865,121, is non-spendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of \$207,145,403, a decrease of \$11,747,044.
- At the end of the current fiscal year, total unassigned fund balance for the General fund was \$18,890,252 or 21% of total General fund expenditures for the fiscal year.
- During fiscal year 2017, the City issued special obligation bonds to fund the construction of the Rocky Mount Event Center. The Rocky Mount Public Facilities Corporation non-profit entity is a legally separate component unit that is essential for the tax credit portion of the Rocky Mount Event Center's financing and is shown in the financial statements in a blended presentation.
- The City maintained its Aa2 Moody's and AA+ Fitch's bond ratings for the 6th 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 (Statement of Net Position and Statement of Activities) 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 are the **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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; 3) the proprietary fund statements; and 4) the fiduciary statements.

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, emergency management, and general administration that are principally supported by taxes and intergovernmental revenues. The business-type activities are those that the City charges user fees to recover all or a significant portion of their costs. These include the electric, gas, water, sewer and stormwater services offered by the City. The City has no discretely presented component units.

The government-wide financial statements are on pages 33 through 36 of this report.

Fund Financial Statements

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

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

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary 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 fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements and Other Information

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements 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 immediately follows the notes to the financial statements of this report.

Interdependence with Other Entities – The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis of the City of Rocky Mount

Net Position

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

Figure 2:

City of Rocky Mount Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets	\$ 71,915,992	\$ 75,649,774	\$ 87,869,332	\$ 99,823,684	\$ 159,785,324	\$ 175,473,458
Other assets	24,351,823	30,847,093	172,157	491,527	24,523,980	31,338,620
Capital assets	137,537,990	123,879,973	157,838,316	159,573,403	295,376,306	283,453,376
Total assets	<u>233,805,805</u>	<u>230,376,840</u>	<u>245,879,805</u>	<u>259,888,614</u>	<u>479,685,610</u>	<u>490,265,454</u>
Deferred Outflows of Resources						
	<u>29,261,985</u>	<u>25,488,301</u>	<u>7,736,325</u>	<u>6,547,855</u>	<u>36,998,310</u>	<u>32,036,156</u>
Liabilities:						
Long-term liabilities outstanding	116,980,176	102,415,813	33,195,608	29,901,715	150,175,784	132,317,528
Other liabilities	14,033,634	23,453,601	10,361,114	12,458,037	24,394,748	35,911,638
Total liabilities	<u>131,013,810</u>	<u>125,869,414</u>	<u>43,556,722</u>	<u>42,359,752</u>	<u>174,570,532</u>	<u>168,229,166</u>
Deferred Inflows of Resources						
	<u>10,406,362</u>	<u>16,481,781</u>	<u>2,914,005</u>	<u>5,184,270</u>	<u>13,320,367</u>	<u>21,666,051</u>
Net Position:						
Net investment in capital assets	84,333,700	82,832,384	150,239,394	151,384,975	234,573,094	234,217,359
Restricted	19,645,472	17,819,682	-	-	19,645,472	17,819,682
Unrestricted	17,668,446	12,861,880	56,906,009	67,507,472	74,574,455	80,369,352
Total net position	<u>\$ 121,647,618</u>	<u>\$ 113,513,946</u>	<u>\$ 207,145,403</u>	<u>\$ 218,892,447</u>	<u>\$ 328,793,021</u>	<u>\$ 332,406,393</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$328,793,021 as of June 30, 2023. The City's net position decreased by \$4,694,380 for the fiscal year ended June 30, 2023. The largest portion of net position, 71%, reflects the City's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position, 6% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 23% may be used to meet the government's ongoing obligations to citizens and creditors.

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

- There are three components of net position: net investment in capital assets, restricted, and unrestricted. There was an increase of \$355,735 in the category of net position for net investment in capital assets. Net investment in capital assets is made up of several components: capital assets, current and long-term debt, and unexpended debt proceeds. During the current year, there were increases in capital assets and in overall debt and unexpended debt proceeds. Compared to the prior year, restricted net position increased by \$1,315,443. The unrestricted net position decreased by \$5,271,550 compared to the prior year.
- The total decrease in net position was \$4,694,380 for the year, compared to a growth of \$3,229,365 for the prior fiscal year. The change was influenced by an increase in revenues in total by \$17,265,100 or 8.2% compared to the prior year and an increase in expenses in total by \$25,175,845 or 12.2% compared to the prior year. The governmental activities had an increase in total revenues of \$12,529,819 and the business type activities experienced an increase in total revenues of \$4,735,281. Charges for service had an increase of \$1,320,399. There was an increase in operating grants and contributions of \$12,003,078 or 146.2% over the prior year. There was a decrease in capital grants and contributions of \$6,142 compared to the prior year.
- Ad valorem tax revenue increased by \$2,083,784 compared to the prior year. The tax rate in the current year is \$0.685, per \$100 of assessed value which is the same rate as in the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 97.45% for property excluding motor vehicles, which is an improvement of 2.32% compared to the prior year. The statewide average for other municipalities with a population between 50,000 and above is 98.86%. The statewide collection percentage is based on 2021 statewide data and is the most recent published percentage and showed an increase of 0.01% from 2020. The City continues to be slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 1.41% of the statewide average which is an improvement compared to the prior year difference of 3.72%. The collections percentage continues to be impacted by unemployment rates.

Changes in Net Position

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

Figure 3:

City of Rocky Mount Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 13,774,390	\$ 14,939,430	\$ 131,886,413	\$ 129,400,974	\$ 145,660,803	\$ 144,340,404
Operating grants and contributions	20,212,730	8,209,652	-	-	20,212,730	8,209,652
Capital grants and contributions	646,617	652,759	-	-	646,617	652,759
General revenues:						
Property taxes	30,587,804	28,504,020	-	-	30,587,804	28,504,020
Other taxes	21,481,952	20,928,146	-	-	21,481,952	20,928,146
Other	5,730,331	6,669,998	2,399,561	149,719	8,129,892	6,819,717
Total revenues	92,433,824	79,904,005	134,285,974	129,550,693	226,719,798	209,454,698
Expenses:						
General government	12,508,765	12,327,072	-	-	12,508,765	12,327,072
Public safety	37,284,082	32,292,754	-	-	37,284,082	32,292,754
Parks and recreation	15,048,561	11,221,898	-	-	15,048,561	11,221,898
Public works	14,254,730	12,448,235	-	-	14,254,730	12,448,235
Emergency management	-	6,239,506	-	-	-	6,239,506
Public service	6,064,019	545,579	-	-	6,064,019	545,579
Economic development	138,428	127,979	-	-	138,428	127,979
Community revitalization	1,434,413	1,797,915	-	-	1,434,413	1,797,915
Interest on long-term debt	1,573,162	1,564,995	-	-	1,573,162	1,564,995
Electric	-	-	77,887,870	71,664,187	77,887,870	71,664,187
Gas	-	-	31,008,038	24,820,895	31,008,038	24,820,895
Water	-	-	13,687,734	11,757,729	13,687,734	11,757,729
Sewer	-	-	16,097,254	15,893,835	16,097,254	15,893,835
Stormwater	-	-	4,427,122	3,522,754	4,427,122	3,522,754
Total expenses	88,306,160	78,565,933	143,108,018	127,659,400	231,414,178	206,225,333
Change in net position before transfers	4,127,664	1,338,072	(8,822,044)	1,891,293	(4,694,380)	3,229,365
Transfers in (out)	2,925,000	2,775,000	(2,925,000)	(2,775,000)	-	-
Change in net position	7,052,664	4,113,072	(11,747,044)	(883,707)	(4,694,380)	3,229,365
Net Position:						
Beginning of year - July 1	114,594,954	109,400,874	218,892,447	219,776,154	333,487,401	329,177,028
End of year - June 30	\$ 121,647,618	\$ 113,513,946	\$ 207,145,403	\$ 218,892,447	\$ 328,793,021	\$ 332,406,393

Governmental activities: Governmental activities increased the City’s net position by \$7,052,664 from operations, accounting for 151% of the total growth in overall net position. Key elements of the current year governmental activities change in net position are as follows:

- Total revenues for governmental activities increased \$17,265,100 compared to the prior year. The combined increase in revenue is the result of increases in charges for services of \$1,320,399, increases in operating grants and contributions of \$12,003,078, and decreases in capital grants and contributions of \$6,142 compared to last year along with an increase of \$2,637,590 in property taxes and other taxes. Other revenues consisting of grants and contributions not restricted to specific programs, miscellaneous, and investment earnings increased by \$1,310,175.
- Total expenses for governmental activities increased \$25,175,845 compared to the prior year. The increase in expenses of \$4,991,328 for Public safety, due to increased staffing, increased compensation, increases to contracts for services, and acquisition of capital equipment; \$3,826,663 for Parks and Recreation, due to increased staffing, increased compensation, and progress on major capital projects; \$1,806,495 for Public Works, due to increased compensation and acquisition of capital equipment; and \$5,518,440 for Public Service due largely to increased staffing, increased compensation, and initiation and progress on major capital projects. Increased hiring across these functions brought staffing back to levels prior to the COVID-19 Pandemic and reduced vacancy levels compared to prior years. Increases in compensation through salaries and wages also increases the associated employee benefit expenses.

Figure 4:

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

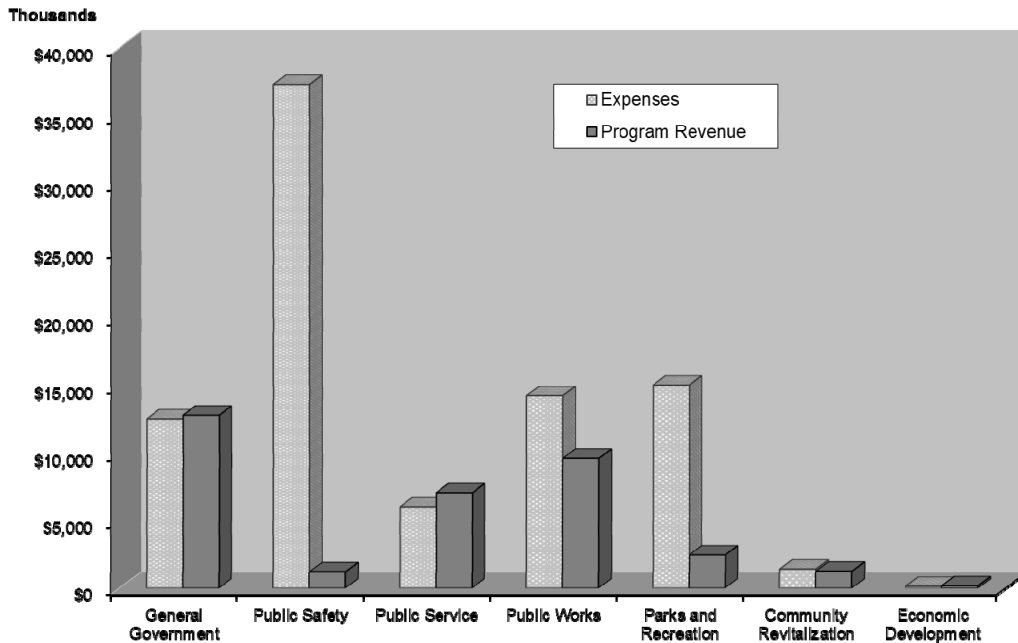
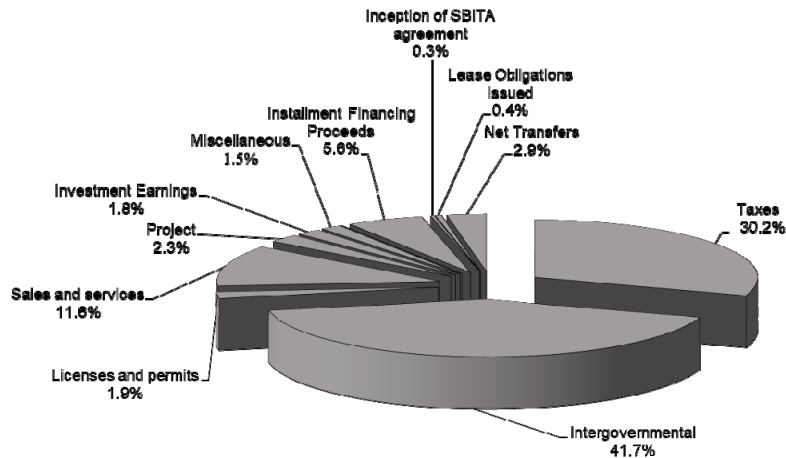


Figure 5:

**City of Rocky Mount
Revenue by Source-Governmental Activities**



Business-type activities: Business-type activities decreased the City's net position by \$11,747,044 from operations. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities increased \$4,735,281 compared to the prior year. Charges for sales and services for business-type activities increased by a combined \$2,485,439 compared to the prior year. Investment income increased \$2,249,842 over the prior year .
- Total expenses for business-type activities increased \$15,448,618 compared to the prior year. Total Electric expenses increased by 8.7% or \$6,223,683. Total Gas expenses increased \$6,187,143 or 24.9%. Total Water expenses increased by \$1,930,005 by 16.4% from the prior year. Total Sewer expenses increased by \$203,419 or 1.3% and total Stormwater expenses increased by \$904,368 under 25.7%.
- The business-type activities transferred net funds to the governmental funds totaling \$2,925,000. This is an increase of \$150,000 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was a decrease of (\$11,747,004). The changes in net position for Electric, Gas, Water, Sewer, and Stormwater were (\$5,773,746), (\$2,901,714), (\$1,134,321), (\$1,955,302), and \$18,039, respectively. The change in net position for the current year compared to the change in net position for the prior year decreased \$10,863,337. Each of the business-type activities experienced increases in expenditures due to increased staffing to return to levels prior to the COVID-19 Pandemic and higher vacancy levels in prior years, increased employee compensation through raises in salaries, wages, and benefit costs, increases in operating expenditures tied to rising commodity prices, and resumption and initiation of capital projects scheduled as part of the City's Capital Improvement Program.

Figure 6:

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

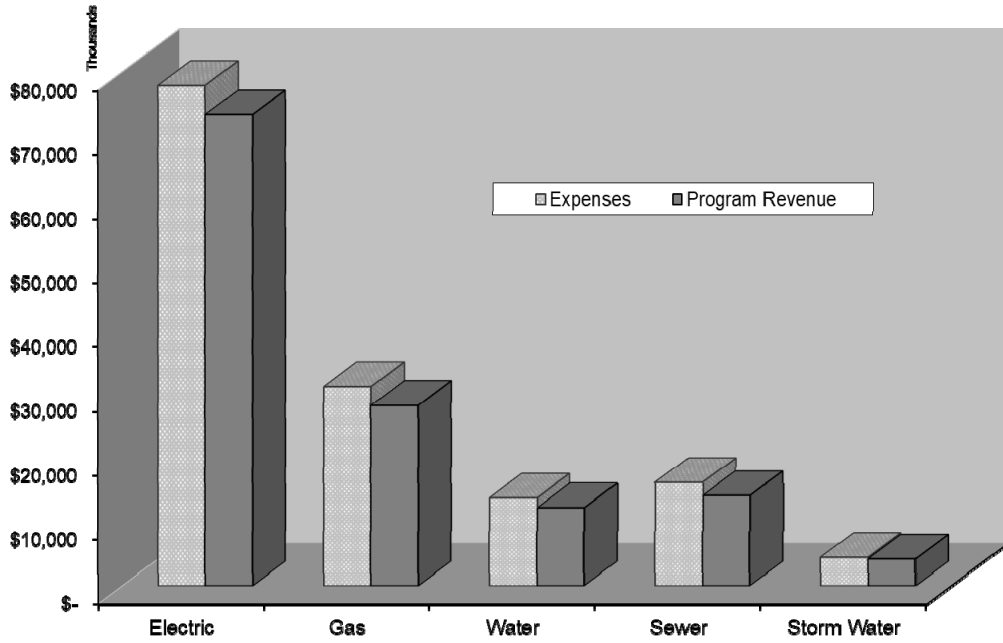
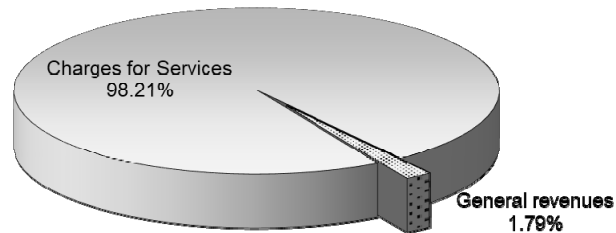


Figure 7:

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



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$68,853,321, an increase of \$5,733,980 in comparison with the prior year. The unassigned fund balance is available for spending at the government's discretion. Due to restrictions related to unspent financing proceeds and long-term receivables, the total unassigned fund balance for the governmental funds is only \$18,680,699. Fund balance is categorized into four other categories: nonspendable, restricted, committed, and assigned. Please refer to note 1 under the fund balance section for information about fund balance categories. The current year fund balance that is nonspendable is \$20,434,763. The current year fund balance that has been restricted is \$21,378,845. The current year fund balance that has been committed is \$1,403,666. The current year fund balance that has been assigned is \$6,955,348 and it is designated for subsequent year's expenditures and capital projects.

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 \$18,890,252 while total General fund balance was \$63,638,447. 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 21% of total General fund expenditures, while total fund balance represents 72% of that same amount.

As of June 30, 2023, the governmental funds of the City reported an increase in combined fund balance of \$5,733,980. Included in this change in fund balance is an increase in fund balance in the General fund by \$4,491,647, and a net increase of \$1,242,333 in the remaining governmental funds. Capital Project funds increased by \$350,592 and Special Revenue funds increased by \$874,842.

The increase in fund balance in the General fund is attributed to increases in current revenues due to greater-than-anticipated local and statewide economic growth, unanticipated growth in return on the investment of idle funds, and transfer of funds for replacement of revenues lost due to the COVID-19 Pandemic under the provisions of the State and Local Fiscal Recovery Fund of the American Rescue Plan Act. Actual revenues from ad valorem taxes were 5.6% greater than budgeted because of growth in property development and improved collection of current year and prior year tax levies. Actual revenues from local option sales taxes were 5.5% greater than budgeted due to greater-than-anticipated growth in taxable sales. Actual revenues from return on investment of idle funds were 73.4% greater than budgeted due to higher interest rates on US Government Treasuries and other eligible investments.

Within the Special Revenue funds, there was a decrease in fund balance for Emergency Telephone, with increases in fund balance for Public Transportation, Entitlement Grants, Crime/Safety Control, Economic Development, and Occupancy Tax funds. Levels of fund balance in Special Revenue funds and Capital Projects funds will vary as their projects transition through various project completion phases.

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

The actual operating revenues for the General fund were higher than the budget amount by \$688,029. Ad valorem tax revenues were higher than budgeted by \$1,646,202 due to increased improved collection of levies and unanticipated growth in property values. Intergovernmental revenues were lower than budgeted by \$1,309,674 due to timing delays in receipt of select grant funds. Licenses and permits were higher than budgeted by \$111,520 due to unanticipated increases in development activity following the COVID-19 Pandemic. Sales and service revenues were lower than budget by \$383,881 due to an unanticipated increase in the resumption of related activities following the end of the COVID-19 Pandemic. Investment earnings were \$707,458 higher than budgeted due to unanticipated increases in rates of interest and return on US Government Treasuries. Miscellaneous revenues were lower than budgeted amounts by \$83,596.

The actual operating expenses for the General fund were less than the budget amount by \$24,065,381. General government departments have expenditures less than the budget of \$14,858,032. Within the general government departments, Community Services had expenses less than the budget of \$9,516,310 for operating expenses, most of which was the appropriation and reserving of revenues replacement funds from the City's receipt of an appropriation from the State and Local Fiscal Recovery Fund of the American Rescue Plan Act. Downtown Development was \$819,421 under budget for operating expenses tied to appropriated and unspent projects that will be done in the coming years. Technology Services was under budget at \$458,762 for operational and \$377,289 for capital outlay expenses. Property and Risk Management was under budget by \$886,520 for capital outlay expenses, projects to be continued in the coming year. Fire was under budget for capital outlay expenses of \$440,371. Surface Transportation was under budget for expenses related to resurfacing and dirt street paving of \$2,924,929, and these activities will be completed in the coming year.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year amounted to \$31,730,216 for the Electric fund, \$10,117,062 for the Gas fund, \$8,850,685 for the Water fund, \$2,220,497 for the Sewer fund, and \$3,987,549 for the Stormwater fund. The total growth/(reduction) of net position was (\$5,773,746), (\$2,901,714), (\$1,134,321), (\$1,955,302), and \$18,039 for the Electric, Gas, Water, Sewer, and Stormwater funds, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of June 30, 2023, totals \$295,376,306 (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:

- Business Services Center-Building renovations \$1,046,808
- Fire-Fire station 2 project \$677,530
- General-Property acquisition-101 Atlantic Street \$120,073
- General-Property acquisition-328 Tarboro Street \$181,027
- General-Property acquisition-250 Atlantic Avenue \$481,555
- General-Property acquisition-318 Tarboro Street \$190,170
- General-Property acquisition-308-312 Tarboro Street \$91,193
- General-Administration Building 1st floor renovations \$78,715
- General-Warehouse renovations \$403,917
- General-Judicial Center renovations \$88,221
- General-Council Chambers audio visual equipment \$56,485
- Parks-Battle Park greenway renovations \$296,139
- Parks-Battle Park boat ramp renovations \$187,584
- Parks-Denton Street pool renovations \$1,598,852
- Parks-Martin Luther King Park project \$276,305
- Parks-John Deere terrain cut rough mower \$64,070
- Parks-Falls Road structure renovations \$597,696
- Police-Police department office renovations \$395,074
- Police-Upfits for police utility vehicles \$129,068
- Streets-Streets resurfacing-various including Falls Road, Eastern Avenue, and Madison Street \$3,122,666
- Streets-2022 New Holland backhoe \$108,000
- Streets-Automated side load garbage trucks (2) \$774,806
- Streets-Body mounted 2022 crane carrier \$185,995
- Streets-2023 Pac Mac Knuckle Boom-Freightliner \$196,990
- Streets-2023 Heil DuraPack Half/Pack front loader \$348,992
- Streets-2023 Pac Mac Knuckle Boom-Freightliner \$196,990
- Streets-2023 Old Dominion brush trailer \$69,199
- Streets-Pac Mac KBF-20H-HJ Knuckle Boom \$193,190
- Streets-Pac Mac KBF-20H-HJ Knuckle Boom \$196,990
- Streets-2022 Heil DuraPack 5000 rear loader \$211,995

Proprietary Funds:

- Electric-Energy Resources office renovations \$78,267
- Electric-Used regulators w/short cables \$94,500
- Electric-Used kVA transformer \$76,250
- Electric-GMC Sierra 2500HD Crew Cab \$61,526
- Electric-Power auto transformer 230kV \$594,258
- Electric-Power circuit breaker rater 69kV \$49,950
- Electric-Power circuit breaker rater 69kV \$51,950
- Electric-Sub 10 & 12 69kV breakers \$60,699
- Electric-Brooks Brothers trailer \$225,113
- Electric-Replacement of wood poles with steel utility poles \$344,000
- Electric-South Point of Distribution project \$374,626
- Gas-Energy Resources office renovations \$211,918
- Gas-2023 GMC Sierra \$53,253
- Water-Electric equipment \$79,188
- Water-Flow Analyzer \$55,435
- Sewer-Equipment diesel pumps \$45,916
- Sewer-Vehicles specialized with tv cameras \$95,007
- Sewer-Vehicles specialized with tv cameras \$22,419
- Sewer-Wastewater treatment plant control panel replacement \$517,440
- Sewer-Manhole replacement Abbey Road \$245,000
- Stormwater-Land acquisition-3202 Sunset Avenue, Suite F \$72,805
- Stormwater-Downtown Culvert drain project \$481,911
- Stormwater-2022 John Deere 210GLC EXC Base PKG \$255,782
- Stormwater-2022 New Holland backhoe/tractor loader \$108,000
- Stormwater-Lawn maintenance equipment (multiple) \$30,353
- Stormwater-Parkers canal project \$51,125

Figure 8: City of Rocky Mount Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 11,395,850	\$ 10,225,687	\$ 3,428,964	\$ 3,356,159	\$ 14,824,814	\$ 13,581,846
Buildings	49,089,994	48,158,547	29,081,390	29,888,706	78,171,384	78,047,253
Improvements other than buildings	8,543,150	8,905,436	525,600	489,526	9,068,750	9,394,962
Machinery and equipment	12,579,171	10,861,970	25,075,896	25,532,564	37,655,067	36,394,534
Infrastructure	44,328,838	44,928,975	97,948,562	99,242,569	142,277,400	144,171,544
Construction in progress	5,280,602	799,358	1,616,617	1,063,879	6,897,219	1,863,237
Right to use lease assets	5,920,531	6,818,341	150,870	-	6,071,401	6,818,341
Subscription assets	399,854	406,332	10,417	-	410,271	406,332
Total capital assets,						
net of depreciation/amortization	\$ 137,537,990	\$ 131,104,646	\$ 157,838,316	\$ 159,573,403	\$ 295,376,306	\$ 290,678,049

Additional information on the City's capital assets can be found in notes 5-7 of the Basic Financial Statements.

Long-term Debt. The City enters into installment purchase financings which have 3 to 15 year terms for both the governmental and business-type activities. At June 30, 2023, the City had installment financings outstanding of \$19,193,690. Under other debt for the governmental activities, the City has debt outstanding in the amount of \$915,000 for a HUD loan that has been used to finance the Douglas Block redevelopment. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities to finance the replacement and upgrade of equipment at the City’s water and wastewater treatment plants and for other sewer system improvements in the amount of \$3,082,811. The City has issued special obligation bonds which have an outstanding balance of \$30,325,000 at June 30, 2023. There is an unamortized net premium on the bonds of \$1,143,352. The City has \$7,004,674 in lease liabilities after the implementation of GASB Statement No. 87 *Leases*.

**Figure 9: City of Rocky Mount
Outstanding Debt - Installment financings, Other Debt, Special Obligation Bonds,
and Revolving Loans**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Installment financing	\$ 11,364,044	\$ 7,958,334	\$ 7,829,646	\$ 7,957,907	\$ 19,193,690	\$ 15,916,241
Leases	7,004,674	7,422,136	132,177	-	7,136,851	7,422,136
SBITA	301,240	355,432	8,366	-	309,606	355,432
Other debt	915,000	1,060,000	-	-	915,000	1,060,000
Special obligation bonds	31,468,352	33,424,736	-	-	31,468,352	33,424,736
Revolving loans	-	-	3,082,811	3,512,240	3,082,811	3,512,240
Total	\$ 51,053,310	\$ 50,220,638	\$ 11,053,000	\$ 11,470,147	\$ 62,106,310	\$ 61,690,785

For the 6th consecutive year, the City of Rocky Mount maintained its Aa2 bond rating from Moody’s and AA+ bond rating from Fitch’s. These bond ratings are a clear indication of the sound financial condition of the City of Rocky Mount. This achievement is a primary factor in 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 \$288,692,578.

Additional information regarding the City’s long-term debt can be found in note 13 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2024.

- The unemployment rate for the City of Rocky Mount was 6.5% at June 30, 2023, and for the Rocky Mount Metropolitan Statistical Area was 5.2% at June 30, 2023. This is a 12.2% decrease in the City rate and a 11.9% decrease in the unemployment rate compared to the prior year.
- Our City experienced a 5.1% increase in revenues from property tax in fiscal year 2023, and we are expected to maintain this year’s level, or grow slightly, in fiscal year 2024.

- Our Adopted Budget for fiscal year 2023 reflect a solid effort in forecasting and providing services for the City as our residents and utility customers continued their resumption of activities and expansion following the COVID-19 Pandemic, which created challenges and limitations in fiscal years 2020 thru 2022. We successfully delivered key City services and successfully resumed projects and initiatives to repair infrastructure, replace equipment, and expand programs to neighborhoods and residents in need. This was aided in large part through the efforts of Interim Management to guide and direct necessary activities.
- The Adopted Budget revenue forecast for fiscal year 2023 anticipated increases in several key areas of General Fund revenues, notably local option sales tax and interest earnings from the investment of idle funds. These estimates were conservatively set to avoid overestimation in light of the volatile activity witnessed during and immediately following the Pandemic. Overall, we continued to improve our position due to greater-than-anticipated increases to current revenues, which enabled us to us to facilitate the priorities established in our fiscal year 2023 Annual Operating Budget. We also took advantage of the revenue replacement provisions of the American Rescue Plan Act's State and Local Fiscal Recovery Fund to increase our General Fund reserves in order to better manage additional initiatives brought forth under new permanent management and recommitment to strategic planning by our Mayor and City Council.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2024, the budget increased 5% compared to the prior year original budget. The City's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property tax, interest income, and permit fees. Revenue growth for the coming year is based on actual revenue performance during fiscal year 2023. The revenue forecast for Fiscal Year 2024 Adopted Budget anticipated conservative increases due to uncertainty on the continued significant increases seen in the prior year in several key areas of General Fund revenues, notably local option sales tax, interest, and fees for services provided by various City departments. Based on actual performance during Fiscal Year 2023, we find ourselves in a strong position with respect to current revenues. We project sales tax revenues growing 5% in Fiscal Year 2024. As a result, budgeted revenues from sales tax for Fiscal Year 2024 (\$19.3 Million) are 10.6% higher than our adopted forecast for fiscal year 2023 (\$17.5 Million). Interest earnings improved considerably for a second consecutive year during fiscal year 2023, which was budgeted to some degree for due to anticipated shifts in Federal Reserve policy and increases to the yield on City investment of idle funds. We anticipate returns to remain strong in fiscal year 2024 as a result of favorable investment environment for the coming year. Revenues from fee-based City services, including Environmental Services and Parks & Recreation, increased compared to fiscal year 2023 and met and exceeded projections in most cases. Our Adopted Budget for fiscal year 2024 anticipates some continued growth in these sources, particularly in permits and fees associated with residential development. Real property values continue to rise due to market transactions and development of new properties. We originally projected real and personal property tax revenues to increase 1% based on an estimated collection rate at the end of fiscal year 2023 of 94%. However, strong activity by staff involved in collections increased the rate to 97%, leading to additional revenue in the fiscal year 2023. As a result, actual collections for fiscal year 2023 for current year property tax are greater than our projection for fiscal year 2024, and we anticipate an increase of at least 2% compared to fiscal year 2023, creating a surplus in revenue in the coming year for this category. Also, our Adopted Budget for fiscal year 2024 includes an annual

increase in the Solid Waste Transfer station tonnage rates to offset the impact of an annual adjustment in the waste disposal contract.

Budgeted expenditures in the governmental activities upholds the commitment to established City Council initiatives through the funding of grant programs to rehabilitate local housing and expanding affordable housing. Other initiatives include accelerating equipment replacement for heavy vehicles and equipment which are critical to the delivery of essential services needed by Environmental Services, Streets, Parks & Recreation; and additional staffing for key areas of City operations such as Public Safety. The 2024 budget includes funding for implementation of recommendations of a classification and compensation study to ensure appropriate pay for City employees and improvement recruitment and retention across all departments. Additional funding is provided for technology improvements related to public safety, continued necessary replacement of operating equipment, renovations to City facilities, and investment in revisions to the City's Comprehensive Plan and development of strategic plans for housing and Downtown Development. Other capital improvement funding includes continued renovations to City Hall and the historic Booker T. Washington High School campus and resurfacing of City streets.

The City retains its commitment to a management strategy applying fiscally conservative approaches in a pro-active manner to ongoing challenges and opportunities. This approach enables City management to respond effectively to current climate and upcoming demands with manageable increases to the financial burden of our citizens, reviewed and consulted to regularly by external financial advisors and ongoing internal reviews.

Business-type Activities: The fiscal year 2024 budget for the business-type funds increased 7.1% from the fiscal year 2023 adopted budget. Charges for service represent the largest revenues in the business-type funds. The adopted fiscal year 2024 budget reflects a 7.5% increase to the retail and resale rates for Water and Sewer utility services to cover increases in treatment and operational costs, as advised by a cost of service study presented and approved by City Council in Fall 2022. These increases will occur annually through fiscal year 2027 to cover necessary operating and capital costs, and they are consistent with best practices exhibited by other municipal water and sewer systems.

Budgeted expenses for business-type activities include funding for Capital Improvement Program projects, for all utilities, consistent with forecasted revenues. These expenditures include acquisition of replacement equipment and renovations to existing facilities.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2023

ASSETS	Primary Government		Total
	Governmental Activities	Business-type Activities	
Current Assets:			
Cash and cash equivalents/ investments	\$ 40,449,060	\$ 60,251,072	\$ 100,700,132
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,089,409	-	1,089,409
Taxes - other	12,084	-	12,084
Customers	1,210,319	13,729,868	14,940,187
Other governmental agencies	6,149,681	-	6,149,681
Internal balances	(228,095)	228,095	-
Leases receivable	136,106	319,411	455,517
Assessments	5,015,942	83,375	5,099,317
Other	8,402,201	852,984	9,255,185
Prepaid items	3,328,745	-	3,328,745
Inventories	456,218	2,661,788	3,118,006
Restricted cash and investments	5,894,322	9,742,739	15,637,061
Total current assets	71,915,992	87,869,332	159,785,324
Noncurrent Assets:			
Leases receivable, net of current portion	-	172,157	172,157
Notes receivable	16,649,800	-	16,649,800
Investment in joint venture - RMW Airport	7,702,023	-	7,702,023
Total noncurrent assets	24,351,823	172,157	24,523,980
Capital Assets:			
Right-to-use lease assets, net of amortization	5,920,531	150,870	6,071,401
Subscription assets, net of amortization	399,854	10,417	410,271
Capital assets, non-depreciable	16,676,452	5,045,581	21,722,033
Capital assets, depreciable, net of depreciation	114,541,153	152,631,448	267,172,601
Total capital assets	137,537,990	157,838,316	295,376,306
Total noncurrent assets	161,889,813	158,010,473	319,900,286
Total assets	233,805,805	245,879,805	479,685,610
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	20,355,189	5,247,492	25,602,681
OPEB deferrals	8,906,796	2,488,833	11,395,629
Total deferred outflows of resources	29,261,985	7,736,325	36,998,310

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

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 6,002,561	\$ 6,749,444	\$ 12,752,005
Unearned revenue	440,238	-	440,238
Current compensated absences	2,018,087	651,134	2,669,221
Current maturities of long-term debt and leases	5,572,748	2,960,536	8,533,284
Total current liabilities	<u>14,033,634</u>	<u>10,361,114</u>	<u>24,394,748</u>
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets:			
Deposits	259,701	6,272,810	6,532,511
Accrued compensated absences	1,636,578	131,984	1,768,562
Other long-term debt	45,480,562	8,092,464	53,573,026
Total pension liability - LEOSSA	8,685,853	-	8,685,853
Net pension liability - LGERS	26,908,361	7,979,922	34,888,283
Total OPEB liability	34,009,121	10,718,428	44,727,549
Total noncurrent liabilities	<u>116,980,176</u>	<u>33,195,608</u>	<u>150,175,784</u>
Total liabilities	<u>131,013,810</u>	<u>43,556,722</u>	<u>174,570,532</u>
DEFERRED INFLOWS OF RESOURCES			
Lease deferrals	136,236	477,179	613,415
Prepaid taxes	88,504	-	88,504
Pension deferrals	2,289,925	231,643	2,521,568
OPEB deferrals	7,891,697	2,205,183	10,096,880
Total deferred inflows of resources	<u>10,406,362</u>	<u>2,914,005</u>	<u>13,320,367</u>
NET POSITION			
Net investment in capital assets	84,333,700	150,239,394	234,573,094
Restricted for:			
Stabilization by state statute	9,837,362	-	9,837,362
Streets	3,452,010	-	3,452,010
Public works	4,712,578	-	4,712,578
Public safety	1,098,402	-	1,098,402
Parks and recreation	534,285	-	534,285
Economic development	10,835	-	10,835
Unrestricted	17,668,446	56,906,009	74,574,455
Total net position	<u>\$ 121,647,618</u>	<u>\$ 207,145,403</u>	<u>\$ 328,793,021</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 12,508,765	\$ 1,743,720	\$ 10,376,126	\$ 646,617
Public safety	37,284,082	157,500	1,081,600	-
Public works	14,254,730	9,479,138	145,083	-
Parks and recreation	15,048,561	2,394,032	80,655	-
Public service	6,064,019	-	7,073,010	-
Economic development	138,428	-	178,061	-
Community revitalization	1,434,413	-	1,278,195	-
Interest on long-term debt	1,573,162	-	-	-
Total governmental activities	<u>88,306,160</u>	<u>13,774,390</u>	<u>20,212,730</u>	<u>646,617</u>
Business-Type Activities:				
Electric	77,887,870	73,367,681	-	-
Gas	31,008,038	28,098,029	-	-
Water	13,687,734	12,172,530	-	-
Sewer	16,097,254	14,067,972	-	-
Storm water management	4,427,122	4,180,201	-	-
Total business-type activities	<u>143,108,018</u>	<u>131,886,413</u>	<u>-</u>	<u>-</u>
 Total primary government	<u>\$ 231,414,178</u>	<u>\$ 145,660,803</u>	<u>\$ 20,212,730</u>	<u>\$ 646,617</u>
General Revenue:				
Taxes				
Ad valorem taxes				
Local Option Sales Tax				
Other taxes				
Miscellaneous				
Investment earnings				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net Position:				
Beginning balances, as previously reported				
Prior period adjustments				
Beginning of year - July 1				
End of year - June 30				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ 257,698	\$ -	\$ 257,698
(36,044,982)	-	(36,044,982)
(4,630,509)	-	(4,630,509)
(12,573,874)	-	(12,573,874)
1,008,991	-	1,008,991
39,633	-	39,633
(156,218)	-	(156,218)
(1,573,162)	-	(1,573,162)
<u>(53,672,423)</u>	<u>-</u>	<u>(53,672,423)</u>
-	(4,520,189)	(4,520,189)
-	(2,910,009)	(2,910,009)
-	(1,515,204)	(1,515,204)
-	(2,029,282)	(2,029,282)
-	(246,921)	(246,921)
-	<u>(11,221,605)</u>	<u>(11,221,605)</u>
<u>(53,672,423)</u>	<u>(11,221,605)</u>	<u>(64,894,028)</u>
30,587,804	-	30,587,804
16,789,438	-	16,789,438
4,692,514	-	4,692,514
3,961,914	157,029	4,118,943
1,768,417	2,242,532	4,010,949
<u>57,800,087</u>	<u>2,399,561</u>	<u>60,199,648</u>
2,925,000	(2,925,000)	-
<u>60,725,087</u>	<u>(525,439)</u>	<u>60,199,648</u>
7,052,664	(11,747,044)	(4,694,380)
113,513,946	218,892,447	332,406,393
1,081,008	-	1,081,008
<u>114,594,954</u>	<u>218,892,447</u>	<u>333,487,401</u>
<u>\$ 121,647,618</u>	<u>\$ 207,145,403</u>	<u>\$ 328,793,021</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Rocky Mount Public Facilities Corporation		
Assets:					
Cash and cash equivalents/investments	\$ 35,523,510	\$ 23,501	\$ -	\$ 3,374,149	\$ 38,921,160
Receivables, net of allowance for uncollectible accounts:					
Ad valorem taxes	1,084,584	-	-	4,825	1,089,409
Other taxes	12,084	-	-	-	12,084
Customers	1,210,319	-	-	-	1,210,319
Other governmental agencies	4,776,398	-	-	1,373,283	6,149,681
Due from other funds	285,737	-	-	-	285,737
Assessments	5,015,942	-	-	-	5,015,942
Other	7,768,646	-	16,649,800	601,682	25,020,128
Prepaid items	2,998,745	-	-	330,000	3,328,745
Inventories	456,218	-	-	-	456,218
Leases receivable	136,106	-	-	-	136,106
Advances to other funds	16,649,800	-	-	-	16,649,800
Restricted cash and investments	5,445,084	360,238	9,000	80,000	5,894,322
Total assets	<u>81,363,173</u>	<u>383,739</u>	<u>16,658,800</u>	<u>5,763,939</u>	<u>104,169,651</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued expenditures	4,889,743	-	-	42,252	4,931,995
Due to other funds	59,359	-	-	454,473	513,832
Unearned revenue	-	360,238	-	80,000	440,238
Advances from other funds	-	-	16,649,800	-	16,649,800
Deposits	259,701	-	-	-	259,701
Total liabilities	<u>5,208,803</u>	<u>360,238</u>	<u>16,649,800</u>	<u>576,725</u>	<u>22,795,566</u>
Deferred Inflows of Resources:					
Assessments receivable	5,015,942	-	-	-	5,015,942
Taxes receivable	1,084,584	-	-	4,841	1,089,425
Miscellaneous receivables	6,190,657	-	-	-	6,190,657
Lease deferrals	136,236	-	-	-	136,236
Prepaid taxes	88,504	-	-	-	88,504
Total deferred inflows of resources	<u>12,515,923</u>	<u>-</u>	<u>-</u>	<u>4,841</u>	<u>12,520,764</u>
Fund Balances:					
Nonspendable:					
Prepaid items	2,998,745	-	-	330,000	3,328,745
Inventories	456,218	-	-	-	456,218
Advances to other funds	16,649,800	-	-	-	16,649,800
Restricted:					
Stabilization by state statute	7,862,397	-	-	1,974,965	9,837,362
Streets	3,452,010	-	-	-	3,452,010
Public works	4,712,578	-	-	-	4,712,578
Capital outlay	1,733,373	-	-	-	1,733,373
Public safety	-	-	-	1,098,402	1,098,402
Parks and recreation	-	-	-	534,285	534,285
Economic development	-	-	-	10,835	10,835
Committed:					
Public service	-	-	-	622,056	622,056
General government	-	23,501	-	-	23,501
Future capital projects	-	-	9,000	749,109	758,109
Assigned:					
Subsequent year's expenditures	6,883,074	-	-	-	6,883,074
Future capital projects	-	-	-	72,274	72,274
Unassigned:					
	18,890,252	-	-	(209,553)	18,680,699
Total fund balances	<u>63,638,447</u>	<u>23,501</u>	<u>9,000</u>	<u>5,182,373</u>	<u>68,853,321</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 81,363,173</u>	<u>\$ 383,739</u>	<u>\$ 16,658,800</u>	<u>\$ 5,763,939</u>	<u>\$ 104,169,651</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

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

Ending fund balance - governmental funds	\$ 68,853,321
Capital assets, including right-to-use assets, used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	137,537,990
The City's joint venture with an equity interest is not a current financial resource and, therefore, is not reported in the governmental funds.	7,702,023
The City's net pension liability (LGERS), total pension liability (LEOSSA), and total OPEB liability, as well as the related deferred outflows of resources and deferred inflows of resources will not be liquidated with current expendable financial resources and therefore, are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	20,355,189
Deferred outflows of resources related to OPEB	8,906,796
Net pension liability - LGERS	(26,908,361)
Total pension liability - LEOSSA	(8,685,853)
Total OPEB liability	(34,009,121)
Deferred inflows of resources related to pensions	(7,891,697)
Deferred outflows of resources related to OPEB	(2,289,925)
Certain receivables accrued in the City's governmental funds are not considered to be available to pay expenditures of the current period as they have not been collected soon enough after year-end and, therefore, are reported as deferred inflows of resources in the governmental funds.	12,296,024
Assets and liabilities of internal service funds used by management to account for certain insurance and communications costs are included in governmental activities in the Statement of Net Position.	1,517,541
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt and leases	(49,909,958)
Unamortized bond premium/discount	(1,143,352)
Accrued interest	(268,357)
Compensated absences	(3,654,665)
Claims and judgments	(759,977)
Net position of governmental activities	\$ 121,647,618

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Rocky Mount Public Facilities Corporation		
Revenues:					
Taxes	\$ 30,921,202	\$ -	\$ -	\$ -	\$ 30,921,202
Intergovernmental	27,218,105	10,000,000	-	5,474,286	42,692,391
Licenses and permits	1,913,320	-	-	-	1,913,320
Sales and service	11,877,809	-	-	-	11,877,809
Project	-	-	-	2,328,822	2,328,822
Investment earnings	1,737,328	16,899	-	71,961	1,826,188
Contributions	-	-	-	150	150
Miscellaneous	1,347,053	-	210,519	-	1,557,572
Total revenues	<u>75,014,817</u>	<u>10,016,899</u>	<u>210,519</u>	<u>7,875,219</u>	<u>93,117,454</u>
Expenditures:					
Current:					
General government	12,054,806	-	-	486,275	12,541,081
Public safety	35,856,807	-	-	139,911	35,996,718
Public works	17,401,167	-	-	-	17,401,167
Parks and recreation	16,125,073	-	-	-	16,125,073
Public service	765,003	-	-	5,299,016	6,064,019
Community revitalization	-	-	-	1,434,413	1,434,413
Economic development	-	-	-	178,061	178,061
Debt service:					
Principal	5,426,134	-	-	16,316	5,442,450
Interest	1,329,994	-	210,519	134	1,540,647
Total expenditures	<u>88,958,984</u>	<u>-</u>	<u>210,519</u>	<u>7,554,126</u>	<u>96,723,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,944,167)</u>	<u>10,016,899</u>	<u>-</u>	<u>321,093</u>	<u>(3,606,175)</u>
Other Financing Sources (Uses):					
Transfers to other funds	(1,205,810)	(10,000,000)	-	(250,000)	(11,455,810)
Transfers from other funds	13,250,000	-	-	1,130,810	14,380,810
Inception of SBITA agreement	234,577	-	-	23,531	258,108
Lease obligations issued	449,047	-	-	-	449,047
Installment purchase financing issued	5,708,000	-	-	-	5,708,000
Total other financing sources (uses)	<u>18,435,814</u>	<u>(10,000,000)</u>	<u>-</u>	<u>904,341</u>	<u>9,340,155</u>
Net change in fund balances	4,491,647	16,899	-	1,225,434	5,733,980
Fund Balance:					
Beginning of year - July 1, restated	59,146,800	6,602	9,000	3,956,939	63,119,341
End of year - June 30	<u>\$ 63,638,447</u>	<u>\$ 23,501</u>	<u>\$ 9,000</u>	<u>\$ 5,182,373</u>	<u>\$ 68,853,321</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, 2023

The amount reported as the City's change in net position in the statement of activities is different from the change in fund balances of governmental funds due to the following items:

Net change in fund balances - total governmental funds	\$ 5,733,980
<p>Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives and reported as depreciation and amortization expense:</p>	
Capital outlay	14,576,036
Depreciation and amortization	(7,107,117)
<p>The net effect of various miscellaneous transactions involving capital and right-to-use assets (i.e., sales, disposals, and donations) is to decrease the net position of governmental activities.</p>	
	(659,346)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported in the governmental funds.</p>	
	(625,859)
<p>The City's joint venture with an equity interest is not reported in the governmental funds and as such, the current year change in the joint venture's equity interest does not impact the change in fund balance.</p>	
	(57,771)
<p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>	
Issuance of long-term debt	(5,708,000)
Inception of lease agreements	(449,047)
Inception of subscription-based information technology arrangements	(258,108)
Principal payments on long-term debt	5,442,450
<p>The governmental funds report current year contributions to the City's defined benefit pension and OPEB plans whereas the Statement of Activities reports pension and OPEB expense. These amounts represent the differences between current year contributions and expenses for the applicable plan:</p>	
Pension expense - LGERS	(2,179,655)
Pension expense - LEOSSA	(396,878)
OPEB expense	(970,653)
<p>Expenses related to compensated absences, accrued interest, and claims and judgments payable do not require current financial resources are not reported as expenditures in the governmental funds.</p>	
Compensated absences	121,558
Claims and judgments	(258,115)
Accrued interest	(32,515)
<p>Internal service funds are used by management to charge the costs of certain expenses to the City's individual funds. The net expense of the internal service funds is reported with governmental activities.</p>	
	<u>(118,296)</u>
Changes in net position of governmental activities	<u><u>\$ 7,052,664</u></u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 29,275,000	\$ 29,275,000	\$ 30,921,202	\$ 1,646,202
Intergovernmental	28,425,640	28,527,779	27,218,105	(1,309,674)
Licenses and permits	1,801,800	1,801,800	1,913,320	111,520
Sales and service	12,261,690	12,261,690	11,877,809	(383,881)
Investment earnings	624,870	1,029,870	1,737,328	707,458
Miscellaneous	1,345,050	1,430,649	1,347,053	(83,596)
Total revenues	73,734,050	74,326,788	75,014,817	688,029
Expenditures:				
Current:				
General Government:				
Mayor and council	612,490	656,320	394,018	262,302
City clerk	220,600	178,801	161,773	17,028
Internal audit	164,300	152,047	142,757	9,290
Community services	1,300,430	12,323,024	2,814,884	9,508,140
City manager	692,550	538,089	431,731	106,358
Communications and marketing	308,330	390,057	338,021	52,036
Downtown development	689,710	1,384,138	564,717	819,421
Business and collections services	148,970	124,507	42,750	81,757
Technology services	863,330	1,013,664	172,139	841,525
Community and business development	754,130	1,590,254	333,442	1,256,812
Finance	428,240	216,871	165,458	51,413
Central services	1,638,150	2,146,941	1,043,503	1,103,438
Development services	3,054,480	2,986,999	2,786,418	200,581
Human resources	1,738,120	2,602,816	2,150,424	452,392
Human relations	578,970	595,310	512,771	82,539
Total general government	13,192,800	26,899,838	12,054,806	14,845,032
Public Safety:				
Police	20,069,840	21,190,599	20,724,904	465,695
Fire	15,803,520	15,730,713	15,131,903	598,810
Total public safety	35,873,360	36,921,312	35,856,807	1,064,505
Public Works:				
Administration	447,180	419,180	413,677	5,503
Street and ROW maintenance	1,866,550	1,967,329	1,905,462	61,867
Environmental service	8,270,980	9,132,755	8,934,395	198,360
Fleet maintenance	3,341,310	2,594,522	2,430,046	164,476
Engineering - administration	409,620	880,540	565,915	314,625
Engineering - traffic	586,000	737,438	585,705	151,733
Street resurfacing	800,000	5,490,896	2,565,967	2,924,929
Total public works	15,721,640	21,222,660	17,401,167	3,821,493

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, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Parks and Recreation:				
Administration	\$ 626,240	\$ 670,524	\$ 654,956	\$ 15,568
Athletics	559,120	639,589	638,786	803
Cultural arts	541,020	589,250	563,052	26,198
Amusements and special events	469,590	529,090	510,346	18,744
Museum	423,990	491,335	475,505	15,830
Parks maintenance	2,579,960	3,636,324	3,598,992	37,332
Cemetery operations	1,132,460	1,384,408	923,809	460,599
Outdoor programs	211,120	308,220	305,184	3,036
Neighborhood programs	1,262,340	1,522,144	1,494,056	28,088
Senior programs	591,550	2,290,577	2,188,929	101,648
Sports complex	1,163,040	1,179,711	1,160,310	19,401
Imperial Centre	752,740	773,286	758,718	14,568
Event Center	3,361,180	2,951,352	2,852,430	98,922
Total parks and recreation	<u>13,674,350</u>	<u>16,965,810</u>	<u>16,125,073</u>	<u>840,737</u>
Public service	<u>3,372,000</u>	<u>4,234,295</u>	<u>765,003</u>	<u>3,469,292</u>
Debt Service:				
Principal	3,655,992	5,050,000	5,426,134	(376,134)
Interest	1,585,908	1,717,450	1,329,994	387,456
Total debt service	<u>5,241,900</u>	<u>6,767,450</u>	<u>6,756,128</u>	<u>11,322</u>
Total expenditures	<u>87,076,050</u>	<u>113,011,365</u>	<u>88,958,984</u>	<u>24,052,381</u>
Deficiency of revenues under expenditures	<u>(13,342,000)</u>	<u>(38,684,577)</u>	<u>(13,944,167)</u>	<u>24,740,410</u>
Other Financing Sources (Uses):				
Transfers to other funds	(375,000)	(1,305,819)	(1,205,810)	100,009
Transfers from other funds	3,250,000	13,250,000	13,250,000	-
SBITA obligations issued	-	-	234,577	234,577
Lease obligations issued	-	448,617	449,047	430
Installment purchase financing issued	5,967,000	7,095,323	5,708,000	(1,387,323)
Total other financing sources	<u>8,842,000</u>	<u>19,488,121</u>	<u>18,435,814</u>	<u>(1,052,307)</u>
Fund balance appropriated	<u>4,500,000</u>	<u>19,196,456</u>	<u>-</u>	<u>(19,196,456)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,491,647</u>	<u>\$ 4,491,647</u>
Fund Balance:				
Beginning of year - July 1, restated			59,146,800	
End of year - June 30			<u>\$ 63,638,447</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2023

	Business-type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 30,843,641	\$ 10,661,387	\$ 10,596,291	\$ 2,856,914
Restricted cash and investments	7,100,099	1,568,780	671,258	188,569
Due from other funds	287,172	-	-	-
Assessments receivable	-	-	61,779	21,596
Accounts receivable, net	8,429,590	1,328,594	1,571,461	1,802,834
Other receivables	389,386	199,327	105,903	147,409
Leases receivable	215	207,348	111,848	-
Inventories	2,233,327	119,355	297,763	11,343
Total current assets	<u>49,283,430</u>	<u>14,084,791</u>	<u>13,416,303</u>	<u>5,028,665</u>
Noncurrent Assets:				
Leases receivable, net of current portion	417	-	171,740	-
Capital Assets:				
Right-to-use lease assets, net of amortization	48,604	62,570	39,037	659
Subscription assets, net of amortization	-	-	10,417	-
Capital assets, non-depreciable	953,257	191,337	1,173,187	882,624
Capital assets, depreciable, net of depreciation	52,084,774	20,183,667	25,634,759	50,180,547
Total capital assets, net	<u>53,086,635</u>	<u>20,437,574</u>	<u>26,857,400</u>	<u>51,063,830</u>
Total noncurrent assets	<u>53,087,052</u>	<u>20,437,574</u>	<u>27,029,140</u>	<u>51,063,830</u>
Total assets	<u>102,370,482</u>	<u>34,522,365</u>	<u>40,445,443</u>	<u>56,092,495</u>
Deferred Outflows of Resources:				
Pension deferrals	1,761,697	603,097	1,328,407	860,672
OPEB deferrals	910,268	299,582	553,074	403,283
Total deferred outflows of resources	<u>2,671,965</u>	<u>902,679</u>	<u>1,881,481</u>	<u>1,263,955</u>
Liabilities and Net Position:				
Current Liabilities:				
Accounts payable and accrued expenses	5,717,474	610,462	120,883	225,959
Due to other funds	59,077	-	-	-
Current accrued compensated absences	247,537	63,297	162,044	88,890
Current portion of SBITA liability	-	-	4,117	-
Current portion of lease liability	6,717	11,378	6,014	577
Current maturities of long-term debt	1,405,986	231,186	182,018	964,830
Total current liabilities	<u>7,436,791</u>	<u>916,323</u>	<u>475,076</u>	<u>1,280,256</u>
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets:				
Deposits	3,995,079	1,568,780	671,258	5,272
Accrued compensated absences	44,619	25,255	36,442	25,668
Net pension liability	2,625,868	950,254	2,044,103	1,331,952
Total OPEB liability	3,545,097	1,177,371	2,760,223	1,814,993
Noncurrent portion of SBITA liability	-	-	4,249	-
Noncurrent portion of lease liability	30,802	49,731	26,861	98
Noncurrent portion of long-term debt	3,558,988	-	185,885	3,843,790
Total noncurrent liabilities	<u>13,800,453</u>	<u>3,771,391</u>	<u>5,729,021</u>	<u>7,021,773</u>
Total liabilities	<u>21,237,244</u>	<u>4,687,714</u>	<u>6,204,097</u>	<u>8,302,029</u>
Deferred Inflows of Resources				
Lease deferrals	620	200,890	275,669	-
Pension deferrals	78,680	24,512	58,176	38,770
OPEB deferrals	806,525	265,439	490,041	357,321
Total deferred inflows of resources	<u>885,825</u>	<u>490,841</u>	<u>823,886</u>	<u>396,091</u>
Net Position:				
Net investment in capital assets	51,189,162	20,129,427	26,448,256	46,437,833
Unrestricted	31,730,216	10,117,062	8,850,685	2,220,497
Total net position	<u>\$ 82,919,378</u>	<u>\$ 30,246,489</u>	<u>\$ 35,298,941</u>	<u>\$ 48,658,330</u>

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

Business-type Activities		Governmental Activities
Nonmajor Fund	Total Business-type Activities	Internal Service Funds
Storm Water Management	Enterprise	
\$ 5,292,839	\$ 60,251,072	\$ 1,527,900
214,033	9,742,739	-
-	287,172	-
-	83,375	-
597,389	13,729,868	-
10,959	852,984	31,873
-	319,411	-
-	2,661,788	-
<u>6,115,220</u>	<u>87,928,409</u>	<u>1,559,773</u>
-	172,157	-
-	150,870	-
-	10,417	-
1,845,176	5,045,581	-
<u>4,547,701</u>	<u>152,631,448</u>	<u>1,730,517</u>
<u>6,392,877</u>	<u>157,838,316</u>	<u>1,730,517</u>
6,392,877	158,010,473	1,730,517
12,508,097	245,938,882	3,290,290
693,619	5,247,492	-
<u>322,626</u>	<u>2,488,833</u>	<u>-</u>
<u>1,016,245</u>	<u>7,736,325</u>	<u>-</u>
74,666	6,749,444	42,232
-	59,077	-
89,366	651,134	-
-	4,117	-
-	24,686	-
<u>147,713</u>	<u>2,931,733</u>	<u>144,083</u>
<u>311,745</u>	<u>10,420,191</u>	<u>186,315</u>
32,421	6,272,810	-
-	131,984	-
1,027,745	7,979,922	-
1,420,744	10,718,428	-
-	4,249	-
-	107,492	-
<u>392,060</u>	<u>7,980,723</u>	<u>135,943</u>
<u>2,872,970</u>	<u>33,195,608</u>	<u>135,943</u>
3,184,715	43,615,799	322,258
-	477,179	-
31,505	231,643	-
285,857	2,205,183	-
<u>317,362</u>	<u>2,914,005</u>	<u>-</u>
6,034,716	150,239,394	1,450,491
<u>3,987,549</u>	<u>56,906,009</u>	<u>1,517,541</u>
<u>\$ 10,022,265</u>	<u>\$ 207,145,403</u>	<u>\$ 2,968,032</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 72,871,475	\$ 27,779,573	\$ 12,047,259	\$ 12,850,644
Licenses and permits	-	-	47,875	34,220
Other operating revenues	496,206	318,456	77,396	1,183,108
Total operating revenues	<u>73,367,681</u>	<u>28,098,029</u>	<u>12,172,530</u>	<u>14,067,972</u>
Operating Expenses:				
Distribution systems	71,989,748	30,473,238	-	-
Treatment plants	-	-	8,815,029	9,432,957
Engineering	1,357,672	-	-	-
Support services	-	-	3,626,954	4,410,511
Energy services	2,150,433	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Communications	-	-	-	-
Depreciation and amortization	2,310,109	545,503	1,245,039	2,158,400
Total operating expenses	<u>77,807,962</u>	<u>31,018,741</u>	<u>13,687,022</u>	<u>16,001,868</u>
Operating income (loss)	<u>(4,440,281)</u>	<u>(2,920,712)</u>	<u>(1,514,492)</u>	<u>(1,933,896)</u>
Nonoperating Revenues (Expenses):				
Other	132,150	-	24,879	-
Investment earnings	1,214,293	408,295	356,004	73,980
Gain on disposal of capital assets	-	22,027	-	-
Interest expense	(79,908)	(11,324)	(712)	(95,386)
Total nonoperating revenues (expenses)	<u>1,266,535</u>	<u>418,998</u>	<u>380,171</u>	<u>(21,406)</u>
Income (loss) before interfund transfers	<u>(3,173,746)</u>	<u>(2,501,714)</u>	<u>(1,134,321)</u>	<u>(1,955,302)</u>
Transfers from other funds	-	-	-	-
Transfers to other funds	(2,600,000)	(400,000)	-	-
Total interfund transfers	<u>(2,600,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(5,773,746)</u>	<u>(2,901,714)</u>	<u>(1,134,321)</u>	<u>(1,955,302)</u>
Net Position:				
Beginning of year - July 1, previously reported	88,693,124	33,148,203	36,433,262	50,613,632
Restatement	-	-	-	-
Beginning of year - July 1, restated	<u>88,693,124</u>	<u>33,148,203</u>	<u>36,433,262</u>	<u>50,613,632</u>
End of year - June 30	<u>\$ 82,919,378</u>	<u>\$ 30,246,489</u>	<u>\$ 35,298,941</u>	<u>\$ 48,658,330</u>

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

Business-type Activities		Governmental Activities
Nonmajor Fund	Total Business-type Activities	Internal Service Funds
Storm Water Management	Enterprise	
\$ 4,157,480	\$ 129,706,431	\$ 16,002,592
-	82,095	-
22,721	2,097,887	-
<u>4,180,201</u>	<u>131,886,413</u>	<u>16,002,592</u>
-	102,462,986	-
-	18,247,986	-
-	1,357,672	-
1,163,094	9,200,559	-
-	2,150,433	-
2,922,075	2,922,075	-
-	-	11,562,652
-	-	2,890,891
-	-	1,263,672
333,357	6,592,408	390,819
<u>4,418,526</u>	<u>142,934,119</u>	<u>16,108,034</u>
<u>(238,325)</u>	<u>(11,047,706)</u>	<u>(105,442)</u>
-	157,029	-
189,960	2,242,532	-
-	22,027	-
(8,596)	(195,926)	(12,854)
<u>181,364</u>	<u>2,225,662</u>	<u>(12,854)</u>
<u>(56,961)</u>	<u>(8,822,044)</u>	<u>(118,296)</u>
75,000	75,000	-
-	(3,000,000)	-
<u>75,000</u>	<u>(2,925,000)</u>	<u>-</u>
18,039	(11,747,044)	(118,296)
10,004,226	218,892,447	3,481,657
-	-	(380,678)
<u>10,004,226</u>	<u>218,892,447</u>	<u>3,086,328</u>
<u>\$ 10,022,265</u>	<u>\$ 207,145,403</u>	<u>\$ 2,968,032</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 74,725,147	\$ 28,020,421	\$ 12,233,883	\$ 14,004,492
Payments to suppliers for goods and services	(70,367,589)	(27,770,859)	(8,792,949)	(10,945,070)
Payments to or on behalf of employees	(6,718,670)	(3,105,223)	(4,056,363)	(2,889,800)
Net cash provided (used) by operating activities	<u>(2,361,112)</u>	<u>(2,855,661)</u>	<u>(615,429)</u>	<u>169,622</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(2,600,000)	(400,000)	-	-
Transfers from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(2,600,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Debt issued	2,250,000	-	-	179,000
Acquisition and construction of capital assets	(2,227,572)	(267,713)	(160,036)	(978,948)
Interest paid	(85,324)	(4,089)	(713)	(90,010)
Principal payments on long-term debt	(1,409,621)	(307,490)	(207,541)	(972,349)
Net cash provided (used) by capital and related financing activities	<u>(1,472,517)</u>	<u>(579,292)</u>	<u>(368,290)</u>	<u>(1,862,307)</u>
Cash Flows From Investing Activities:				
Investment earnings	1,214,293	408,295	356,004	73,980
Net cash provided by investing activities	<u>1,214,293</u>	<u>408,295</u>	<u>356,004</u>	<u>73,980</u>
Net increase (decrease) in cash and cash equivalents/investments	(5,219,336)	(3,426,658)	(627,715)	(1,618,705)
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	43,103,999	15,656,825	11,895,264	4,664,188
End of year, June 30	<u>\$ 37,884,663</u>	<u>\$ 12,230,167</u>	<u>\$ 11,267,549</u>	<u>\$ 3,045,483</u>
Cash and cash equivalents/investments	\$ 30,843,641	\$ 10,661,387	\$ 10,596,291	\$ 2,856,914
Restricted cash and investments	7,100,099	1,568,780	671,258	188,569
	<u>\$ 37,943,740</u>	<u>\$ 12,230,167</u>	<u>\$ 11,267,549</u>	<u>\$ 3,045,483</u>

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

Business-type Activities		Governmental Activities
Nonmajor Fund	Total Business-type Activities	Internal Service Funds
Storm Water Management	Enterprise	
\$ 4,107,772	\$ 133,091,715	\$ 16,002,504
(2,006,881)	(119,883,348)	(15,543,789)
(2,140,462)	(18,910,518)	(166,851)
<u>(39,571)</u>	<u>(5,702,151)</u>	<u>291,864</u>
-	(3,000,000)	-
75,000	75,000	-
<u>75,000</u>	<u>(2,925,000)</u>	<u>-</u>
116,000	2,545,000	-
(1,060,258)	(4,694,527)	-
(8,640)	(188,776)	(12,854)
(213,063)	(3,110,064)	(140,033)
<u>(1,165,961)</u>	<u>(5,448,367)</u>	<u>(152,887)</u>
189,960	2,242,532	-
<u>189,960</u>	<u>2,242,532</u>	<u>-</u>
(940,572)	(11,832,986)	138,977
6,447,444	81,767,720	1,388,923
<u>\$ 5,506,872</u>	<u>\$ 69,934,734</u>	<u>\$ 1,527,900</u>
\$ 5,292,839	\$ 60,251,072	\$ 1,527,900
214,033	9,742,739	-
<u>\$ 5,506,872</u>	<u>\$ 69,993,811</u>	<u>\$ 1,527,900</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (4,440,281)	\$ (2,920,712)	\$ (1,514,492)	\$ (1,933,896)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	2,310,109	545,503	1,245,039	2,158,400
Other miscellaneous receipts	132,150	-	24,879	-
Change in Assets and Liabilities:				
(Increase) decrease in receivables and assessments	1,228,455	(288,598)	(77,864)	(63,730)
(Increase) decrease in leases receivable	151	218,750	106,267	-
(Increase) decrease in inventories	(631,959)	(25,849)	(114,470)	(8,398)
(Increase) decrease in due from other funds	170,410	-	-	-
Increase (decrease) in accounts payable and accrued expenses	(1,456,261)	(261,721)	(360,994)	(98,386)
Increase (decrease) in customer deposits	(3,290)	(7,760)	8,071	250
Increase (decrease) in accrued compensated absences	28,911	(7,113)	(28,849)	(15,309)
Increase (decrease) in net pension liability and total OPEB liability and the related deferrals	300,493	(108,161)	96,984	130,691
Net cash provided (used) by operating activities	<u>\$ (2,361,112)</u>	<u>\$ (2,855,661)</u>	<u>\$ (615,429)</u>	<u>\$ 169,622</u>

Business-type Activities		Governmental Activities
Nonmajor Fund	Total Business-type Activities	Internal Service Funds
Storm Water Management	Enterprise	
\$ (238,325)	\$ (11,047,706)	\$ (105,442)
333,357	6,592,408	390,819
-	157,029	-
(72,429)	725,834	(88)
-	325,168	-
-	(780,676)	-
-	170,410	-
(147,942)	(2,325,304)	25,729
-	(2,729)	-
(24,940)	(47,300)	(19,154)
110,708	530,715	-
<u>\$ (39,571)</u>	<u>\$ (5,702,151)</u>	<u>\$ 291,864</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	Community Development and Governmental Activities Fund
Assets:	
Cash and cash equivalents/investments	\$ 261,477
Accounts receivable	3,500
Total assets	<u>\$ 264,977</u>
Net Position:	
Restricted for other agencies	\$ 264,977
Total fiduciary net position	<u>\$ 264,977</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Community Development and Governmental Activities Fund
Additions:	
Community event revenues	\$ 64,742
On behalf of employees	12,490
Scholarship revenues	27,795
Investment earnings	7,919
Total additions	112,946
Deductions:	
Community event expenditures	60,691
On behalf of employees	11,140
Scholarship expenditures	15,150
Total deductions	86,981
Change in fiduciary net position	25,965
Net Position:	
Beginning of year, July 1	239,012
End of year, June 30	\$ 264,977

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, 2023

1. Summary of Significant Accounting Policies

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

Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. The City was incorporated on February 19, 1867. The City has a population of approximately 54,941 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.

The City has a blended component unit, the Rocky Mount Public Facilities Corporation, a legally separate entity that is essential for the tax credit financing used to supplement the special obligation bond proceeds for the Rocky Mount Event Center project. The entity is shown in a blended presentation as it exists for the purposes detailed below and is a major fund due to the volume and nature of the transactions occurring during the fiscal year. This financial statement presentation will enable users of the financial statements to identify balances specific to this entity and will emphasize that it is legally separate from the City.

Rocky Mount Public Facilities Corporation - The Rocky Mount Public Facilities Corporation is a non-profit entity which organized for the exclusive purpose of promoting the general welfare of the citizens of the City by assisting the City in carrying out its governmental functions, through the acquisition, construction, operation, sale or lease of real estate and improvements, facilities, equipment, and other personal property.

Basis of Presentation

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities; however, interfund services provided and used are not eliminated in the process of consolidation. 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, 2023

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 the fiduciary fund. Separate statements for each fund category, *governmental proprietary, and fiduciary* are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The City reports the following major governmental funds:

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.

ARPA Fund – This grant project special revenue fund is used to account for the City's \$11,521,180 allotment of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act (ARPA).

Rocky Mount Public Facilities Corporation – This fund was established to provide financing for the Rocky Mount Event Center tax credit project.

The City reports the following non-major governmental funds:

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Emergency Management Fund – This fund accounts for funds received from Nash and Edgecombe Counties for Coronavirus Relief Funds (CRF). The funds will be used to assist with pandemic-related expenditures.

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

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

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

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

The City reports the following major enterprise funds:

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

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

Water Fund – This fund accounts for the operations of the City’s water system and includes an operating fund and a capital projects fund.

Sewer Fund – This fund accounts for the operations of the City’s waste water system and includes an operating fund and a capital projects fund.

The City reports the following non-major enterprise fund:

Storm Water Management Fund – This fund accounts for the operations of the City’s stormwater system.

Additionally, the City reports the following fund types:

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the City holds on behalf of others that meet certain criteria. The City maintains one custodial fund, the Community Development and Governmental Activities Fund, which accounts for transactions related to revenues including commissions from vending machines sales, event receipts, 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. 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 risk management internal service fund are generally premiums charged to its employees for insurance coverage. Revenues of the communications internal service fund are allocations of its operating expenses to the general and proprietary funds based on services provided. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 which use a 60-day period. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes which were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Use of Estimates

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

Budgetary Data

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2023. 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 to conform to the structure of the actual data which is presented in a form to provide the greatest economic meaning to the data. The budget is prepared on the modified accrual basis of accounting as required by state statute. All annual appropriations lapse at each fiscal year-end and must be re-appropriated in the following fiscal year's budget. Custodial funds are also budgeted by the City. The budget ordinance must be adopted by July 1, of the fiscal year or the governing council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Funds with Multi-year Budgets

Certain special revenue funds and capital projects funds are budgeted under project ordinances spanning more than one fiscal year. Project appropriations for these funds continue until the projects are complete. Those funds include the special revenue funds – ARPA, Entitlement Grants, Public Transportation Grants, Crime/Safety Control, Economic Development, Emergency Management, Occupancy Tax, and the Rocky Mount Public Facilities Corporation. The Capital project fund – General Capital Development Projects is also a multi-year budgeted fund.

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

Encumbrances

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

Deposits and Investments

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

State law [G.S. 159-30(c)(8)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's and the ABC Board's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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.

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

Cash and Cash Equivalents

The City pools its unrestricted cash resources from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Interest earned as a result of pooling cash and investments is distributed to the appropriate funds based on the prior month's ending balance of cash and investments and is recorded monthly.

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CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Restricted Investments and Cash

Unexpended proceeds from installment purchase agreements entered into by the City and grant funding received in advance of expenditure for pandemic-related grants are classified as restricted investments in the respective funds because their use is completely restricted to the purpose for which the agreement was originally intended. In accordance with state law [G.S. 136-41.1 through 136-41.4], Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected. All other deposits are restricted in their respective funds. These deposits are reported as liabilities to be paid from restricted assets.

Governmental Activities

General Fund:

Streets	\$	3,452,010
Customer deposits		259,701
Unexpended debt proceeds		1,733,373

ARPA Fund:

Unexpended grant funds		360,238
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Capital Projects Development Fund:

Unexpended grant funds		80,000
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Rocky Mount Public Facilities Corp

9,000

Total governmental activities

5,894,322

Business-type Activities

Electric Fund:

Customer deposits		3,995,079
Unexpended debt proceeds		3,105,020

Gas Fund:

Customer deposits		1,568,780
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Water Fund:

Customer deposits		671,258
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Sewer Fund:

Customer deposits		5,272
Unexpended debt proceeds		183,297

Stormwater Fund:

Customer deposits		32,421
Unexpended debt proceeds		181,612

Total business-type activities

9,742,739

Total restricted cash

\$ 15,637,061

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, as due to/from other funds generally represent advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

During fiscal year 2017, the City issued a special obligation bond to fund the construction of the Rocky Mount Event Center. The Rocky Mount Public Facilities Corporation, nonprofit entity, is a legally separate component unit that is essential for the tax credit portion of the Rocky Mount Event Center's Financing and is shown in the financial statements as a blended component. A long-term interfund advance between the general fund and Rocky Mount Public Facilities Corporation is shown on the governmental funds balance sheet.

Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Deferred inflows of resources are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

Inventories

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Prepaid Items

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

Capital Assets

Capital assets which include property, plant, and equipment and infrastructure are reported in the City's government-wide and proprietary fund financial statements. Capital assets of the City generally have an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Assets are stated at cost if purchased or constructed. Costs for assets acquired prior to June 30, 1981, were recorded in the capital asset records based on a physical inventory of such assets at that date with assignment of actual cost, where this was available, and estimated historical cost, where actual historical cost could not be determined. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. Capital assets transferred to a recipient fund are recorded at the same book value as the transferor fund.

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

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

Right-to-Use Assets

The City has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right-to-use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet the criteria for deferred outflows of resources: pension deferrals and OPEB deferrals. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has the following items that meet the criterion for this category – assessments, taxes and miscellaneous receivables, prepaid taxes, and deferrals relating to pensions, OPEB and leases.

Long-term Obligations

The City has acquired equipment under installment purchase agreements. Installment purchase agreements are recorded in the applicable columns of the government-wide and proprietary fund financial statements. The debt service requirements for long-term debt obligations are appropriated annually in the appropriate fund.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

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

Compensated Absences

The compensated absences policy of the City provides for the accumulation of up to thirty (30) days earned vacation with such leave being fully vested when earned. The amount of accumulated vacation leave and the salary-related payments at year-end are not expected to be materially

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

liquidated with expendable available financial resources and are reported as a liability with portions reflected as both current and non-current. The liability for accumulated vacation leave and the salary-related payments are reported in the City's government-wide and proprietary fund financial statements as an expense and liability of those activities as the benefits accrue to employees. Compensated absences reported in governmental activities are liquidated in the General Fund.

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

Reimbursements for Pandemic-Related Expenditures

During the 2021 fiscal year, the American Rescue Plan Act (ARPA) established the Coronavirus State and local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The City was allocated \$11,521,180 of fiscal recovery funds to be paid in two equal installments. The first installment of \$5,760,590 was received in June 2021, and the second equal installment was received in June 2022. The City has spent \$1,160,942 in fiscal year 2022 and \$10,000,000 for premium pay in the ARPA Fund during fiscal year 2023. The City is in the planning stage to determine how the remaining funds will be utilized.

Net Position

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

Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total capital assets	\$ 137,537,990	\$ 157,838,316
Less: capital related long-term debt	(54,707,975)	(11,053,000)
Less: retainage payable	(229,688)	(15,852)
Add: unexpended proceeds	1,733,373	3,469,930
Net investment in capital assets	<u>\$ 84,333,700</u>	<u>\$ 150,239,394</u>

Fund Balances

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The governmental fund types classify fund balances as follows:

Nonspendable 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 intact.

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.

Advances to other funds – portion of fund balance that is not an available resource because it represents the long-term interfund advance to the Public Facilities Corporation, which is not a spendable resource.

Restricted Fund Balance

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

Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted net position and restricted fund balance on the face of the balance sheet.

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 Public Works – portion of fund balance that is available for appropriation but legally segregated for street resurfacing and maintenance expenditures. This amount represents the balance of the total unexpended proceeds from the vehicle fee increase in fiscal year 2016.

Restricted for Capital Outlay – portion of fund balance restricted by revenue source for future capital activities. This classification consists primarily of unexpended debt proceeds.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

Restricted for Economic Development – portion of fund balance restricted by revenue source for future economic development.

Committed Fund Balance

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

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

Committed for General Government – ARPA – portion of fund balance that has been committed by the City Council for future projects in the ARPA Fund.

Committed for Future Capital Projects – portion of fund balance that has been committed by the Public Facilities Corporation for future capital projects related to the Event Center financing.

Assigned Fund Balance

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

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

Assigned for Future Capital Projects – portion of fund balance that has been assigned for future capital projects.

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 General fund is the only fund that reports a positive unassigned fund balance.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

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	\$ 63,638,447
Less:	
Inventories	456,218
Prepaid items	2,998,745
Other	16,649,800
Stabilization by state statute	7,862,397
Total available for appropriation	<u>\$ 35,671,287</u>

Interfund Transfers

Interfund transfers from the enterprise funds to the General fund are transfers which represent a return on the investment of the utility. The principal purpose of transfers between governmental funds is to provide the required local match for certain federal and state grants. In addition, the City may have immaterial transfers between the General fund and other funds when grant closures occur. There are sometimes transfers from the enterprise funds that represent the utility's cost share in certain capital projects.

Defined Benefit Cost-sharing Plans

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2. Deposits and Investments

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

At June 30, 2023, the City's deposits had a carrying amount of \$16,036,394 and a bank balance of approximately \$19,063,180. Of the bank balance, \$750,000 was covered by federal depository insurance and \$18,313,180 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2023, the City had \$99,511,900 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAA-m by Standard and Poor's and AAA-mf by Moody's Investor Service. The City has no policy regarding credit risk. The City had \$1,011,501 invested with the North Carolina Class which carried a credit rating of AAA-m by Standard and Poor's. The City has no policy regarding credit risk.

Total cash and investments of \$116,598,670 reported by the City include cash on hand of \$38,875 and \$261,477 held by the City in the custodial fund, Community Development and Governmental Activities Fund.

At June 30, 2023, the City had \$15,637,061 in restricted cash and investments. Of this amount, there was \$5,203,302 of unexpended debt proceeds in escrow accounts to be used to purchase equipment and construction improvements under installment purchase agreements. The City has a total of \$6,532,511 in deposits and \$440,238 in unexpended grant funding that was restricted as to use and is reported as liabilities to be paid from restricted assets. The City has Powell Bill funds in the amount of \$3,452,010 that are restricted cash according to state law. Also included is restricted cash and investments of \$9,000 for the Rocky Mount Public Facilities Corporation.

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, 2023

3. Accounts Receivable and Allowances for Doubtful Accounts

Allowance for Doubtful Accounts

The receivables shown in the Balance Sheet and the Statement of Net Position at June 30, 2023, are net of the following allowances for doubtful accounts:

Governmental Activities:

Ad valorem taxes	\$	2,634,565
Planning loans		3,624,859
Miscellaneous		645,313
Customers		217,752
Total governmental activities	\$	7,122,489

Business-Type Activities:

Customers:

Electric	\$	1,144,608
Gas		607,512
Water		175,000
Sewer		218,048
Other		354,473
Total business-type activities		2,499,641
Total allowances for doubtful accounts	\$	9,622,130

Accounts Receivable

At June 30, 2023, funds due from other governmental agencies consisted of the following:

	General	Nonmajor Governmental	Total
Sales tax refund	\$ 1,506,706	\$ -	\$ 1,506,706
Vehicle fee	19,335	-	19,335
Local option sales tax	3,037,063	-	3,037,063
Grants receivable	68,294	1,373,283	1,441,577
Franchise tax	90,000	-	90,000
Other	55,000	-	55,000
Total	\$ 4,776,398	\$ 1,373,283	\$ 6,149,681

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

4. Leases Receivable

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Details of the City's leases receivable at June 30, 2023, are as follows:

On 05/01/2023, the City entered into a 60-month lease as lessor for the use of Tract of Land No. 12 Township. An initial lease receivable was recorded in the amount of \$4,058. As of 06/30/2023, the value of the lease receivable is \$3,208. The lessee is required to make annual fixed payments of \$850. The lease has an interest rate of 2.3660%. The value of the deferred inflow of resources as of 06/30/2023 was \$3,923, and the City recognized lease revenue of \$135 during the fiscal year.

On 07/01/2021, the City entered into a 21-month lease as lessor for the use of 200-210 E Thomas Street. An initial lease receivable was recorded in the amount of \$38,329. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$1,833. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and the City recognized lease revenue of \$16,427 during the fiscal year.

On 07/01/2021, the City entered into a 59-month lease as lessor for the use of Telecommunication Systems. An initial lease receivable was recorded in the amount of \$1,039. As of 06/30/2023, the value of the lease receivable is \$632. The lessee is required to make annual fixed payments of \$201. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of 06/30/2023 was \$621, and the City recognized lease revenue of \$209 during the fiscal year.

On 07/01/2021, the City entered into a 35-month lease as lessor for the use of 4285 North Wesleyan Boulevard. An initial lease receivable was recorded in the amount of \$639,194. As of 06/30/2023, the value of the lease receivable is \$217,348. The lessee is required to make monthly fixed payments of \$19,181. The lease has an interest rate of 3.5000%. The value of the deferred inflow of resources as of 06/30/2023 was \$200,890, and the City recognized lease revenue of \$219,152 during the fiscal year.

On 07/25/2022, the City entered into a 36-month lease as lessor for the use of 209 NE Main St. An initial lease receivable was recorded in the amount of \$20,909. As of 06/30/2023, the value of the lease receivable is \$14,579. The lessee is required to make monthly fixed payments of \$600. The lease has an interest rate of 2.1840%. The value of the deferred inflow of resources as of 06/30/2023 was \$14,404, and the City recognized lease revenue of \$6,505 during the fiscal year.

On 07/01/2021, the City entered into a 60-month lease as lessor for the use of Marigold Water Tower. An initial lease receivable was recorded in the amount of \$151,280. As of 06/30/2023, the value of the lease receivable is \$91,646. The lessee is required to make monthly fixed payments of \$2,587. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of 06/30/2023 was \$90,769, and the City recognized lease revenue of \$30,256 during the fiscal year. The lessee has 2 extension options, each for 60 months.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 02/01/2023, the City entered into a 36-month lease as lessor for the use of 152 E. Thomas St. An initial lease receivable was recorded in the amount of \$19,698. As of 06/30/2023, the value of the lease receivable is \$17,082. The lessee is required to make monthly fixed payments of \$550. The lease has an interest rate of 2.1840%. The value of the deferred inflow of resources as of 06/30/2023 was \$16,965, and City recognized lease revenue of \$2,733 during the fiscal year.

On 11/08/2022, City entered into a 36-month lease as lessor for the use of 150 E. Thomas St. An initial lease receivable was recorded in the amount of \$41,106. As of 06/30/2023, the value of the lease receivable is \$36,436. The lessee is required to make monthly fixed payments of \$1,291. The lease has an interest rate of 2.1840%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,238, and City recognized lease revenue of \$8,868 during the fiscal year.

On 08/01/2022, City entered into a 24-month lease as lessor for the use of 207-211 East Thomas St. An initial lease receivable was recorded in the amount of \$82,001. As of 06/30/2023, the value of the lease receivable is \$45,227. The lessee is required to make monthly fixed payments of \$3,483. The lease has an interest rate of 2.0240%. The value of the deferred inflow of resources as of 06/30/2023 was \$44,417, and City recognized lease revenue of \$37,584 during the fiscal year.

On 07/01/2021, City entered into a 21-month lease as lessor for the use of 205 NE Main Street. An initial lease receivable was recorded in the amount of \$11,793. As of 06/30/2023, the value of the lease receivable is \$214. The lessee is required to make monthly fixed payments of \$564. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and City recognized lease revenue of \$5,054 during the fiscal year.

On 07/01/2021, City entered into a 21-month lease as lessor for the use of 211 NE Main Street. An initial lease receivable was recorded in the amount of \$12,881. As of 06/30/2023, the value of the lease receivable was \$0. The lessee is required to make monthly fixed payments of \$616. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and City recognized lease revenue of \$5,520 during the fiscal year.

On 07/01/2021, City entered into a 21-month lease as lessor for the use of 152-154 E. Thomas Street. An initial lease receivable was recorded in the amount of \$18,004. As of 06/30/2023, the value of the lease receivable is \$9,069. The lessee is required to make monthly fixed payments of \$861. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and City recognized lease revenue of \$28 during the fiscal year.

On 07/01/2021, City entered into a 53-month lease as lessor for the use of 431 Marigold Street . An initial lease receivable was recorded in the amount of \$104,892. As of 06/30/2023, the value of the lease receivable is \$59,627. The lessee is required to make monthly fixed payments of \$1,916. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of 06/30/2023 was \$57,394, and City recognized lease revenue of \$23,749 during the fiscal year.

On 07/01/2021, City entered into a 51-month lease as lessor for the use of 431 Branch St. An initial lease receivable was recorded in the amount of \$124,468. As of 06/30/2023, the value of the lease receivable is \$68,374. The lessee is required to make monthly fixed payments of \$2,319. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of 06/30/2023 was \$65,895, and City recognized lease revenue of \$29,287 during the fiscal year. The lessee has 2 extension options, each for 60 months.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, City entered into a 107-month lease as lessor for the use of Peoples Bank Building. An initial lease receivable was recorded in the amount of \$23,865. As of 06/30/2023, the value of the lease receivable is \$19,376. The lessee is required to make annual fixed payments of \$2,500. The lease has an interest rate of 1.5270%. The value of the deferred inflow of resources as of 06/30/2023 was \$18,512, and City recognized lease revenue of \$2,676 during the fiscal year. The lessee has 1 extension option for 60 months.

On 07/01/2021, City entered into a 53-month lease as lessor for the use of Burlington Water Tank. An initial lease receivable was recorded in the amount of \$112,602. As of 06/30/2023, the value of the lease receivable is \$64,241. The lessee is required to make monthly fixed payments of \$2,019. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of 06/30/2023 was \$61,613, and City recognized lease revenue of \$25,495 during the fiscal year. The lessee has 1 extension option for 120 months.

On 07/01/2021, City entered into a 21-month lease as lessor for the use of 184-188 E. Thomas St. An initial lease receivable was recorded in the amount of \$38,036. As of 06/30/2023, the value of the lease receivable was \$0. The lessee is required to make monthly fixed payments of \$1,819. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0., and City recognized lease revenue of \$16,301 during the fiscal year.

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CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

5. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2023, was as follows:

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 10,225,687	\$ 1,170,163	\$ -	\$ -	\$ 11,395,850
Construction in progress	799,358	4,847,004	-	(365,760)	5,280,602
Total	11,025,045	6,017,167	-	(365,760)	16,676,452
Capital assets being depreciated:					
Land improvements	22,974,004	546,300	(66,049)	12,100	23,466,355
Buildings	75,686,703	2,564,780	(108,728)	48,242	78,190,997
Equipment	61,843,147	4,710,690	(942,641)	121,263	65,732,459
Infrastructure	65,450,597	-	(5,594)	281,732	65,726,735
Total	225,954,451	7,821,770	(1,123,012)	463,337	233,116,546
Accumulated depreciation:					
Land improvements	(14,068,568)	(903,093)	48,456	-	(14,923,205)
Buildings	(27,528,156)	(1,663,187)	71,261	19,079	(29,101,003)
Equipment	(50,981,177)	(2,974,640)	923,792	(121,263)	(53,153,288)
Infrastructure	(20,521,622)	(878,194)	1,919	-	(21,397,897)
Total	(113,099,523)	\$ (6,419,114)	\$ 1,045,428	\$ (102,184)	(118,575,393)
Capital assets being depreciated, net	112,854,928				114,541,153
Lease assets, net (Note 6)	6,818,341				5,920,531
Subscription assets, net (Note 7)	406,332				399,854
Governmental capital assets, net	\$ 131,104,646				\$ 137,537,990

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

General government	\$	1,129,153
Public works		1,821,591
Public safety		842,445
Transit		409,525
Development services		14,236
Recreation		1,802,322
Internal service - comm		380,678
Business Services		11,831
Community/development		7,333
	\$	6,419,114

Capital asset activity for the business-type activities for the year ended June 30, 2023, was as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Electric Fund:					
Capital assets not being depreciated:					
Land	\$ 450,824	\$ -	\$ -	\$ -	\$ 450,824
Construction in progress	184,293	374,627	-	(56,487)	502,433
Total	635,117	374,627	-	(56,487)	953,257
Capital assets being depreciated:					
Land improvements	366,697	-	-	-	366,697
Buildings	8,258,936	78,268	-	23,685	8,360,889
Equipment	35,284,729	1,418,850	(11,570)	155,843	36,847,852
Infrastructure	48,272,267	344,299	-	-	48,616,566
Total	92,182,629	1,841,417	(11,570)	179,528	94,192,004
Accumulated depreciation:					
Land improvements	(164,625)	(12,715)	-	-	(177,340)
Buildings	(3,660,323)	(142,585)	-	(19,079)	(3,821,987)
Equipment	(23,152,986)	(1,349,373)	11,570	(99,358)	(24,590,147)
Infrastructure	(12,714,303)	(803,453)	-	-	(13,517,756)
Total	(39,692,237)	\$ (2,308,126)	\$ 11,570	\$ (118,437)	(42,107,230)
Capital assets being depreciated, net	52,490,392				52,084,774
Lease assets, net (Note 6)	-				48,604
Electric Fund capital assets, net	\$ 53,125,509				\$ 53,086,635

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Gas Fund:					
Capital assets not being depreciated:					
Land	\$ 191,337	\$ -	\$ -	\$ -	\$ 191,337
Construction in progress	118,000	-	-	(118,000)	-
Total	309,337	-	-	(118,000)	191,337
Capital assets being depreciated:					
Land improvements	11,425	-	-	-	11,425
Buildings	2,243,630	211,918	-	-	2,455,548
Equipment	8,918,808	53,523	(845,482)	142,918	8,269,767
Infrastructure	20,047,894	-	(34,785)	-	20,013,109
Total	31,221,757	265,441	(880,267)	142,918	30,749,849
Accumulated depreciation:					
Land improvements	(5,979)	(457)	-	-	(6,436)
Buildings	(461,008)	(44,544)	-	-	(505,552)
Equipment	(7,113,580)	(236,029)	837,962	-	(6,511,647)
Infrastructure	(3,311,064)	(266,268)	34,785	-	(3,542,547)
Total	(10,891,631)	\$ (547,298)	\$ 872,747	\$ -	(10,566,182)
Capital assets being depreciated, net	20,330,126				20,183,667
Lease assets, net (Note 6)	-				62,570
Gas Fund capital assets, net	\$ 20,639,463				\$ 20,437,574

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Water Fund:					
Capital assets not being depreciated:					
Land	\$ 1,173,187	\$ -	\$ -	\$ -	\$ 1,173,187
Capital assets being depreciated:					
Land improvements	9,096,932	-			9,096,932
Buildings	12,511,413	11,427	-	-	12,522,840
Equipment	13,946,763	142,051	-	(43,352)	14,045,462
Infrastructure	31,501,154	-	-	-	31,501,154
Total	67,056,262	153,478	-	(43,352)	67,166,388
Accumulated depreciation:					
Land improvements	(9,000,283)	(3,881)	-	-	(9,004,164)
Buildings	(8,220,285)	(219,676)	-	-	(8,439,961)
Equipment	(10,459,294)	(585,180)	-	43,351	(11,001,123)
Infrastructure	(12,654,503)	(431,878)	-	-	(13,086,381)
Total	(40,334,365)	\$ (1,240,615)	\$ -	\$ 43,351	(41,531,629)
Capital assets being depreciated, net	<u>26,721,897</u>				<u>25,634,759</u>
Lease assets, net (Note 6)	-				39,037
Subscription assets, net (Note 7)	<u>-</u>				<u>10,417</u>
Water Fund capital assets, net	<u>\$ 27,895,084</u>				<u>\$ 26,857,400</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Sewer Fund:					
Capital assets not being depreciated:					
Land	\$ 782,025	\$ -	\$ -	\$ -	\$ 782,025
Construction in progress	290,195	-	-	(189,596)	100,599
Total	1,072,220	-	-	(189,596)	882,624
Capital assets being depreciated:					
Land improvements	2,199,671	-	-	62,870	2,262,541
Buildings	40,272,189	-	-	-	40,272,189
Equipment	22,279,376	731,464	(73,334)	30,153	22,967,659
Infrastructure	38,033,973	245,000	-	126,726	38,405,699
Total	102,785,209	976,464	(73,334)	219,749	103,908,088
Accumulated depreciation:					
Land improvements	(2,131,969)	(2,429)	-	-	(2,134,398)
Buildings	(21,102,538)	(705,430)	-	-	(21,807,968)
Equipment	(15,116,057)	(943,369)	70,444	(30,153)	(16,019,135)
Infrastructure	(13,259,450)	(506,590)	-	-	(13,766,040)
Total	(51,610,014)	\$ (2,157,818)	\$ 70,444	\$ (30,153)	(53,727,541)
Capital assets being depreciated, net	<u>51,175,195</u>				<u>50,180,547</u>
Lease assets, net (Note 6)	<u>-</u>				<u>659</u>
Sewer Fund capital assets, net	<u>\$ 52,247,415</u>				<u>\$ 51,063,830</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2022
Stormwater Fund:					
Capital assets not being depreciated:					
Land	758,786	72,805	-	-	831,591
Construction in progress	471,391	542,194	-	-	1,013,585
Total	1,230,177	614,999	-	-	1,845,176
Capital assets being depreciated:					
Land improvements	182,855	-	-	-	182,855
Buildings	65,000	-	-	-	65,000
Equipment	4,612,881	394,134	-	-	5,007,015
Infrastructure	3,768,085	51,125	-	-	3,819,210
Total	8,628,821	445,259	-	-	9,074,080
Accumulated depreciation:					
Land improvements	(65,198)	(7,314)	-	-	(72,512)
Buildings	(18,308)	(1,340)	40	-	(19,608)
Equipment	(3,668,076)	(271,731)	-	-	(3,939,807)
Infrastructure	(441,484)	(52,972)	4	-	(494,452)
Total	(4,193,066)	\$ (333,357)	\$ 44	\$ -	(4,526,379)
Capital assets being depreciated, net	4,435,755				4,547,701
Stormwater Fund capital assets, net	<u>\$ 5,665,932</u>				<u>\$ 6,392,877</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

6. Lease Assets

The City is the lessee for noncancellable leases of buildings, equipment, and furniture. The City recognizes lease liabilities and an intangible right to use the lease assets (right-to-use assets) in the government-wide and proprietary financial statements. The lease liabilities are discussed in Note 11, Long-term Obligations, Lease Liabilities. The right-to-use assets are being amortized on a straight-line basis over the lease terms.

Lease asset activity for the governmental activities for the year ended June 30, 2023, was as follows:

	<u>July 1, 2022,</u> <u>restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Governmental Activities:				
Lease assets:				
Buildings	\$ 4,794,759	\$ -	\$ -	\$ 4,794,759
Equipment	3,334,129	97,605	(7,698)	3,424,036
Vehicles	-	378,386	-	378,386
Furniture	1,125	-	-	1,125
Total	8,130,013	475,991	(7,698)	8,598,306
Accumulated amortization:				
Buildings	(652,036)	(688,657)	-	(1,340,693)
Equipment	(659,367)	(678,758)	7,698	(1,330,427)
Vehicles	-	(6,116)	-	(6,116)
Furniture	(269)	(270)	-	(539)
Total	(1,311,672)	\$ (1,373,801)	\$ 7,698	(2,677,775)
Lease assets, net	\$ 6,818,341		\$ 7,698	\$ 5,920,531

Lease asset activity for the business-type activities for the year ended June 30, 2023, was as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Sewer Fund:				
Lease assets:				
Equipment	\$ -	\$ 1,242	\$ -	\$ 1,242
Total	-	1,242	-	1,242
Accumulated amortization:				
Equipment	-	(583)	-	(583)
Total	-	\$ (583)	\$ -	(583)
Lease assets, net	\$ -		\$ -	\$ 659

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Gas Fund:				
Lease assets:				
Equipment	\$ -	\$ 63,381	\$ -	\$ 63,381
Total	<u>-</u>	<u>63,381</u>	<u>-</u>	<u>63,381</u>
Accumulated amortization:				
Equipment	-	(811)	-	(811)
Total	<u>-</u>	<u>\$ (811)</u>	<u>\$ -</u>	<u>(811)</u>
Lease assets, net	<u>\$ -</u>			<u>\$ 62,570</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Water Fund:				
Lease assets:				
Equipment	\$ -	\$ 41,136	\$ -	\$ 41,136
Total	<u>-</u>	<u>41,136</u>	<u>-</u>	<u>41,136</u>
Accumulated amortization:				
Equipment	-	(2,099)	-	(2,099)
Total	<u>-</u>	<u>\$ (2,099)</u>	<u>\$ -</u>	<u>(2,099)</u>
Lease assets, net	<u>\$ -</u>			<u>\$ 39,037</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Electric Fund:				
Lease assets:				
Equipment	\$ -	\$ 50,577	\$ -	\$ 50,577
Total	<u>-</u>	<u>50,577</u>	<u>-</u>	<u>50,577</u>
Accumulated amortization:				
Equipment	-	(1,973)	-	(1,973)
Total	<u>-</u>	<u>\$ (1,973)</u>	<u>\$ -</u>	<u>(1,973)</u>
Lease assets, net	<u>\$ -</u>			<u>\$ 48,604</u>

7. Subscription Assets

The City has recorded several subscription assets. The assets are right-to-use a subscription-based Information Technology arrangement (SBITAs). The related liabilities and arrangements are discussed in the subscription liabilities subsection of the Note 12. The subscription assets are amortized on a straight-line basis over the terms of the related subscriptions.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Subscription asset activity for the governmental activities for the year ended June 30, 2023, was as follows:

	<u>July 1, 2022,</u> <u>restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Governmental Activities:				
Subscription assets:				
Software	\$ 406,332	\$ 261,108	\$ -	\$ 667,440
Total	406,332	261,108	-	667,440
Accumulated amortization:				
Software	-	(267,586)	-	(267,586)
Total	-	\$ (267,586)	\$ -	(267,586)
Subscription assets, net	\$ 406,332			\$ 399,854

Subscription asset activity for the business-type activities for the year ended June 30, 2023, was as follows:

	<u>July 1, 2022,</u> <u>restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Water Fund:				
Subscription assets:				
Software	\$ -	\$ 12,741	\$ -	\$ 12,741
Total	-	12,741	-	12,741
Accumulated amortization:				
Software	-	(2,324)	-	(2,324)
Total	-	\$ (2,324)	\$ -	(2,324)
Subscription assets, net	\$ -			\$ 10,417

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2023, were as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Accounts and vouchers	\$ 2,729,399	\$ 6,433,767	\$ 10,467,667
Claims incurred but not reported	759,977	-	501,862
Accrued payroll and related liabilities	2,513,185	315,677	4,397,785
Total	\$ 6,002,561	\$ 6,749,444	\$ 15,367,314

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

9. Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City’s contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$6,707,395 for the year ended June 30, 2023.

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

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

At June 30, 2023, the City reported a liability of \$34,888,283 for its proportionate share of the net pension liability which was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022 (measurement date), the City’s proportion was 0.61843%, which was a decrease of .04972% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$9,474,637. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,503,304	\$ 147,390
Changes of assumptions	3,481,068	-
Net difference between projected and actual earnings on pension plan investments	11,530,943	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	885,545
City contributions made subsequent to measurement date	6,707,395	-
	\$ 23,222,710	\$ 1,032,935

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

\$6,707,395 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to will be recognized in pension expense as follows:

Year ending June 30:	
2024	\$ 4,780,955
2025	4,162,257
2026	1,045,612
2027	5,493,556
Total	<u>\$ 15,482,380</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	33.0%	1.1%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
	100.0%	

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 62,968,858	\$ 34,888,283	\$ 11,748,259

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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, 2021, the date of the most recent actuarial valuation, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	26
Active plan members	137
Total	<u>163</u>

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: (a) inflation is assumed to be 2.5 percent, (b) salary increases are 3.25 percent to 7.75 percent, including inflation and productivity factor; and (c) a discount rate of 4.31 percent. The discount rate used to measure the liability is the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees’ Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97 percent and set forward by one year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are set back three years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are set forward three years. Rates for female members are set forward one year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

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. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$573,616 as benefits came due for the reporting period.

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

At June 30, 2023, the City reported a total pension liability of \$8,685,853. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of \$1,004,036.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 748,194	\$ 5,596
Changes of assumptions	1,303,376	1,483,037
City contributions and plan administrative expense made subsequent to measurement date	328,401	-
	\$ 2,379,971	\$ 1,488,633

\$328,401 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows on the next page:

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Year ending June 30:

2024	\$	312,188
2025		322,215
2026		277,083
2027		(141,580)
2028		(206,969)
		\$ 562,937

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 4.31 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.31 percent) or 1-percentage point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
City's proportionate share of the net pension liability (asset)	\$ 9,387,873	\$ 8,685,853	\$ 8,047,690

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$	10,163,709
Service cost		401,492
Interest on total pension liability		222,230
Differences between expected and actual experience in the measurement of the total pension liability		(6,764)
Changes of assumptions or other inputs		(1,521,198)
Benefit payments		(573,616)
Ending balance of the total pension liability	\$	8,685,853

Supplemental Retirement Income Plan

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Funding Policy. Article 12E of G. S. Chapter 143 requires the City to contribute each month an amount equal to 5% of covered payroll for law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 3% of the employees' salary. The City's contributions were calculated using a covered payroll amount of \$8,948,841 for employees engaged in law enforcement and \$46,049,315 for all other full-time employees. Total contributions for the year ended June 30, 2023, were \$1,696,579 which consisted of \$532,372 for employees engaged in law enforcement and \$1,164,207 for all other employees. Voluntary contributions made by all City employees totaled \$1,089,166. No amounts were forfeited.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 9,474,637	\$ 1,004,036	\$ 10,478,673
Pension liability	34,888,283	8,685,853	43,574,136
Proportionate share of the net pension liability	0.61843%	n/a	-

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 1,503,304	\$ 748,194	2,251,498
Changes of assumptions	3,481,068	1,303,376	4,784,444
Net difference between projected and actual earnings on pension plan investments	11,530,943	-	11,530,943
Contributions/benefit payments and administrative costs paid subsequent to measurement date	6,707,395	328,401	7,035,796
	\$ 23,222,710	\$ 2,379,971	\$ 25,602,681

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 147,390	\$ 5,596	152,986
Changes of assumptions	-	1,483,037	1,483,037
Changes in proportion and differences between contributions and proportionate share of contributions	885,545	-	885,545
	\$ 1,032,935	\$ 1,488,633	\$ 2,521,568

Other Post-Employment Benefits

Plan Description. The City (by local ordinance) administers a single employer defined benefit plan which provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following criteria. The City pays for coverage of health insurance for service retirees with a minimum of thirty years of creditable service with the City. In addition, the City pays a portion of the coverage for these benefits for retirees with less than thirty years of creditable service with the City. Service retirees will cease to be eligible for group health insurance at age 65 or eligibility for Medicare. For a disability retiree to be covered under the health plan, the retiree must have at least fifteen years of creditable service with the City and the retirement must be due to a medical condition, which is subject to review by the North Carolina Medical Review Board. Disability retiree will cease to be eligible for group health insurance benefit after two years

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

of retirement or eligibility for Medicare. Retirees who do not meet the above criteria have the option to purchase basic medical insurance for themselves and their dependents through the City for eighteen months for which the entire cost 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the post-employment health benefit plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	182
Active plan members	<u>799</u>
Total	<u><u>981</u></u>

Funding Policy. The City agrees to provide medical insurance to certain retired employees who meet the criteria as per above plan description as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. Service retirees will cease to be eligible for group health insurance at age 65 or Medicare. Disability retirees will receive coverage for twenty-four months or until eligible for Medicare, whichever comes first. For members who retire with at least 30 years of service, the City pays \$615.51, the cost for pre-65 health care coverage for the retiree. The City pays 75% of \$615.51 for 20-29 years of service with the City, and 50% for 15-19 years of service with the City. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. To qualify for premium supplement, retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. Both service retiree and disability 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 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.

Total OPEB Liability

The City's total OPEB liability of \$44,727,549 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date using standard actuarial procedures.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.25%-8.41%
Firefighters	3.25%-8.15%
Law enforcement officers	3.25%-7.90%
Municipal bond index rate:	
Prior measurement date	2.16%
Measurement date	3.54%
Healthcare cost trends:	
Pre-Medicare	7.0% for 2021 decreasing to an ultimate rate of 4.50% by 2031

The City selected a municipal bond index rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the municipal bond index rate as of the measurement date as the discount rate used to measure the total OPEB liability.

Schedule of Changes in Total OPEB Liability

Beginning balance	\$ 50,418,123
Service cost	1,898,159
Interest on total OPEB liability and cash flow	1,111,187
Differences between expected and actual experience in the measurement of the total OPEB liability	(445,051)
Changes of assumptions or other inputs	(6,500,633)
Benefit payments	(1,754,236)
Ending balance of the total OPEB liability	\$ 44,727,549

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions used in the June 30, 2021 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2021 valuation.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent).

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 49,329,751	\$ 44,727,549	\$ 40,649,564

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following present the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 39,614,874	\$ 44,727,549	\$ 50,778,029

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$2,558,999. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 674,814	\$ 3,523,926
Changes of assumptions	7,965,487	6,572,954
City contributions and plan administrative expense made subsequent to measurement date	2,755,328	-
	\$ 11,395,629	\$ 10,096,880

\$2,755,328 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (458,690)
2025	(365,384)
2026	(155,344)
2027	101,840
2028	411,710
Thereafter	(990,711)
Total	\$ (1,456,579)

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 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, 2023, the City made contributions to the state for death benefits of \$37,077. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .04% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City contributed a total of \$1,696,579 to the plan for the year ended June 30, 2023.

10. Deferred Outflows/Inflows of Resources

The balance of deferred outflows of resources is composed of the following elements:

	<u>Fund- Level</u>	<u>Government- Wide</u>
Pension deferrals - LGERS	\$ -	\$ 23,222,710
Pension deferrals - LEOSSA	-	2,379,971
OPEB deferrals	-	11,395,629
Total	<u>\$ -</u>	<u>\$ 36,998,310</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

	Fund- Level	Government- Wide
Taxes receivable (General Fund)	\$ 1,084,584	\$ -
Accounts receivable (General Fund)	6,190,657	-
Assessments (General Fund)	5,015,942	-
Accounts receivable (other governmental funds)	4,841	-
Prepaid taxes (General Fund)	88,504	88,504
Lease deferrals	136,236	613,415
Pension deferrals - LGERS	-	1,032,935
Pension deferrals - LEOSSA	-	1,488,633
OPEB deferrals	-	10,096,880
Total	\$ 12,520,764	\$ 13,320,367

11. Commitments

Purchases - The City is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). Under the contracts executed by the City with the Agency, the Agency became the "Full Requirements Bulk Power Supply" electrical power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set rates at a level such that sufficient electrical revenue is generated to meet obligations to the Agency. The Agency has a "Full Requirements Power Purchase Agreement" with Duke Energy Progress (DEP) where the Agency will purchase from DEP and DEP will sell to the Agency firm capacity and energy in amounts required by the agency to serve the current and future electrical loads of its Members.

Construction Commitments – As of June 30, 2023, the City has outstanding contractual commitments related to ongoing construction projects in the amount of approximately \$892,000. These amounts relate to future work on contracts that have been executed and this amount will not be shown as a liability in the financial statements until the related work has been completed.

12. 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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The City has purchased insurance to cover individual claims exceeding the following amounts:

Line Coverage	City's Net Retention
Worker's compensation and employer's liability	\$650,000
Property damage	100,000
General liability	50,000
Public entity management liability, law enforcement liability, and flood and earthquake	100,000
Auto liability and physical damage	50,000

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

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

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 coverages 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 \$705,159 for estimated claims which will be covered under self-insurance retention. The self-insurance total of \$759,977 is for the estimated liability related to general property and workers compensation claims.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The tax collector is bonded for \$50,000 and the finance officer was bonded for \$250,000 for fiscal year 2023. It is noted, however, that the City's finance officer should have been bonded for \$1,000,000 based on the City's annual budgeted funds and as such, the City was not in compliance with G.S. 159-29 as it relates to the finance officer's bond amount for the fiscal year under audit.

Changes in the reported liability for possible claims and judgments during fiscal years 2023 and 2022 are summarized as follows:

	2023	2022
<u>Possible Claims and Judgments</u>		
Balance, beginning	\$ 501,862	\$ 114,795
Current year claims and changes in estimates	1,184,297	1,298,940
Claims payments	(926,182)	(911,873)
Balance, ending	\$ 759,977	\$ 501,862

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

13. Long-term Obligations

Lease Liabilities

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information on the right-to-use lease assets refer to Note 6, Right-to-Use Lease Assets. Details of the City's leases liabilities at June 30, 2023, are as follows:

On 07/01/2021, the City entered into a 58-month lease as lessee for the use of Equipment - Cameras. An initial lease liability was recorded in the amount of \$2,468,344. As of 06/30/2023, the value of the lease liability is \$1,604,829. The City is required to make annual fixed payments of \$402,927. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of 06/30/2023 of \$2,468,344 with accumulated amortization of \$1,006,347.

On 04/20/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26RPCZ. An initial lease liability was recorded in the amount of \$39,048. As of 06/30/2023, the value of the lease liability is \$37,519. The City is required to make monthly fixed payments of \$840. The lease has an interest rate of 7.31%. The value of the right-to-use asset as of 06/30/2023 of \$50,577 with accumulated amortization of \$1,983.

On 03/29/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26RPBS. An initial lease liability was recorded in the amount of \$34,579. As of 06/30/2023, the value of the lease liability is \$32,875. The City is required to make monthly fixed payments of \$754. The lease has an interest rate of 7.26%. The value of the right-to-use asset as of 06/30/2023 of \$41,136 with accumulated amortization of \$2,100.

On 10/28/2021, the City entered into a 48-month lease as lessee for the use of Canon Copier - IRADVDXC257IF. An initial lease liability was recorded in the amount of \$10,656. As of 06/30/2023, the value of the lease liability is \$6,262. The City is required to make monthly fixed payments of \$226. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$10,654 with accumulated amortization of \$4,461.

On 06/27/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVXR. An initial lease liability was recorded in the amount of \$29,650. As of 06/30/2023, the value of the lease liability is \$29,562. The City is required to make monthly fixed payments of \$660. The lease has an interest rate of 7.82%. The value of the right-to-use asset as of 06/30/2023 of \$30,915.72 with accumulated amortization of \$69.

On 06/06/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26W5JD. An initial lease liability was recorded in the amount of \$27,215. As of 06/30/2023, the value of the lease liability is \$26,716. The City is required to make monthly fixed payments of \$600. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$28,238 with accumulated amortization of \$387.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 06/06/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26W57K. An initial lease liability was recorded in the amount of \$27,216. As of 06/30/2023, the value of the lease liability is \$26,716. The City is required to make monthly fixed payments of \$600. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$28,238 with accumulated amortization of \$37.

On 06/22/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26T28K . An initial lease liability was recorded in the amount of \$35,644. As of 06/30/2023, the value of the lease liability is \$35,430. The City is required to make monthly fixed payments of \$712. The lease has an interest rate of 7.82%. The value of the right-to-use asset as of 06/30/2023 of \$36,812 with accumulated amortization of \$183.

On 06/06/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26W574 . An initial lease liability was recorded in the amount of \$27,216. As of 06/30/2023, the value of the lease liability is \$26,716. The City is required to make monthly fixed payments of \$600. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$28,238 with accumulated amortization of \$387.

On 06/27/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVXZ . An initial lease liability was recorded in the amount of \$32,840. As of 06/30/2023, the value of the lease liability is \$32,752. The City is required to make monthly fixed payments of \$658. The lease has an interest rate of 7.82%. The value of the right-to-use asset as of 06/30/2023 of \$34,507 with accumulated amortization of \$77.

On 06/16/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVXV. An initial lease liability was recorded in the amount of \$34,241. As of 06/30/2023, the value of the lease liability is \$33,902. The City is required to make monthly fixed payments of \$678. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$35,537 with accumulated amortization of \$294.

On 06/14/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVXL. An initial lease liability was recorded in the amount of \$30,236. As of 06/30/2023, the value of the lease liability is \$29,860. The City is required to make monthly fixed payments of \$663. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$31,363 with accumulated amortization of \$293.

On 06/08/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVXB . An initial lease liability was recorded in the amount of \$30,554. As of 06/30/2023, the value of the lease liability is \$30,042. The City is required to make monthly fixed payments of \$668. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$31,691 with accumulated amortization of \$400.

On 06/08/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TVWV. An initial lease liability was recorded in the amount of \$30,55. As of 06/30/2023, the value of the lease liability is \$30,042. The City is required to make monthly fixed payments of \$668. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$31,691 with accumulated amortization of \$400.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 06/08/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26TNCF. An initial lease liability was recorded in the amount of \$30,554. As of 06/30/2023, the value of the lease liability is \$30,042. The City is required to make monthly fixed payments of \$668. The lease has an interest rate of 7.54%. The value of the right-to-use asset as of 06/30/2023 of \$31,691 with accumulated amortization of \$400.

On 04/20/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26RPD4. An initial lease liability was recorded in the amount of \$38,315. As of 06/30/2023, the value of the lease liability is \$36,814. The City is required to make monthly fixed payments of \$826. The lease has an interest rate of 7.31%. The value of the right-to-use asset as of 06/30/2023 of \$46,423 with accumulated amortization of \$1,820.

On 04/20/2023, the City entered into a 60-month lease as lessee for the use of Enterprise - Unit 26RPD6. An initial lease liability was recorded in the amount of \$38,315. As of 06/30/2023, the value of the lease liability is \$36,814. The City is required to make monthly fixed payments of \$826. The lease has an interest rate of 7.31%. The value of the right-to-use asset as of 06/30/2023 of \$46,423 with accumulated amortization of \$1,820.

On 07/01/2022, the City entered into a 25-month lease as lessee for the use of J & M Executive Leasing . An initial lease liability was recorded in the amount of \$1,242. As of 06/30/2023, the value of the lease liability is \$675. The City is required to make monthly fixed payments of \$49. The lease has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$1,242 with accumulated amortization of \$583.

On 07/01/2021, the City entered into a 59-month lease as lessee for the use of Canon Image Runner IRA. An initial lease liability was recorded in the amount of \$3,082. As of 06/30/2023, the value of the lease liability is \$1,846. The City is required to make monthly fixed payments of \$54. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of 06/30/2023 of \$3,082 with accumulated amortization of \$1,254.

On 07/01/2021, the City entered into a 47-month lease as lessee for the use of Pitney Bowes Equipment. An initial lease liability was recorded in the amount of \$41,259. As of 06/30/2023, the value of the lease liability is \$22,148. The City is required to make quarterly fixed payments of \$2,799. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$41,259 with accumulated amortization of \$20,730.

On 07/01/2021, the City entered into a 48-month lease as lessee for the use of Canon ImageRUNNER ADVANCE C5560i III. An initial lease liability was recorded in the amount of \$6,665. As of 06/30/2023, the value of the lease liability is \$3,360. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$6,665 with accumulated amortization of \$3,332.

On 07/01/2021, the City entered into a 52-month lease as lessee for the use of Savin & Kyocera Equipment. An initial lease liability was recorded in the amount of \$30,035.25. As of 06/30/2023, the value of the lease liability is \$16,305. The City is required to make monthly fixed payments of \$589. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$30,035 with accumulated amortization of \$13,854.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, the City entered into a 28-month lease as lessee for the use of Canon ir A 4535i II. An initial lease liability was recorded in the amount of \$3,637. As of 06/30/2023, the value of the lease liability is \$522. The City is required to make monthly fixed payments of \$131. The lease has an interest rate of 0.5140%. The value of the right-to-use asset as of 06/30/2023 of \$3,637 with accumulated amortization of \$3,118.

On 07/01/2021, the City entered into a 48-month lease as lessee for the use of Canon IRADVC5560IV3. An initial lease liability was recorded in the amount of \$6,665. As of 06/30/2023, the value of the lease liability is \$3,422. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$6,665 with accumulated amortization of \$3,332.

On 06/01/2022, the City entered into a 60-month lease as lessee for the use of 132 SW Main Street. An initial lease liability was recorded in the amount of \$199,754. As of 06/30/2023, the value of the lease liability is \$157,760. The City is required to make monthly fixed payments of \$3,480. The lease has an interest rate of 1.8170%. The value of the right-to-use asset as of 06/30/2023 of \$199,754 with accumulated amortization of \$43,280. City has 2 extension options, each for 12 months.

On 08/24/2022, the City entered into a 60-month lease as lessee for the use of Canon Copiers (12)-Contract # 637027-7. An initial lease liability was recorded in the amount of \$74,500. As of 06/30/2023, the value of the lease liability is \$64,880. The City is required to make monthly fixed payments of \$1,364. The lease has an interest rate of 2.3660%. The value of the right-to-use asset as of 06/30/2023 of \$74,500 with accumulated amortization of \$12,706.

On 07/01/2021, the City entered into a 36-month lease as lessee for the use of Canon Copier - IR AC 5235. An initial lease liability was recorded in the amount of \$3,112. As of 06/30/2023, the value of the lease liability is \$1,045. The City is required to make monthly fixed payments of \$87. The lease has an interest rate of 0.7270%. The value of the right-to-use asset as of 06/30/2023 of \$3,112 with accumulated amortization of \$2,031.

On 12/01/2022, the City entered into a 60-month lease as lessee for the use of Canon Copiers (4) Contract # 637027-8. An initial lease liability was recorded in the amount of \$23,105. As of 06/30/2023, the value of the lease liability is \$20,552. The City is required to make monthly fixed payments of \$402. The lease has an interest rate of 2.3660%. The value of the right-to-use asset as of 06/30/2023 of \$23,105 with accumulated amortization of \$2,694.

On 07/01/2021, the City entered into a 24-month lease as lessee for the use of Canon Copier - Cashiering. An initial lease liability was recorded in the amount of \$2,252. As of 06/30/2023, the value of the lease liability is \$0. The City is required to make monthly fixed payments of \$94. The lease has an interest rate of 0.5140%. The value of the right-to-use asset as of 06/30/2023 of \$2,252 with accumulated amortization of \$2,174.

On 11/25/2021, the City entered into a 48-month lease as lessee for the use of Canon Copier - IRADVDXC3835I. An initial lease liability was recorded in the amount of \$38,457. As of 06/30/2023, the value of the lease liability is \$23,096. The City is required to make monthly fixed payments of \$835. The lease has an interest rate of 1.0270%. The value of the right-to-use asset as of 06/30/2023 of \$38,457 with accumulated amortization of \$15,383.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, the City entered into a 50-month lease as lessee for the use of Pitney Bowes - Furniture. An initial lease liability was recorded in the amount of \$1,125. As of 06/30/2023, the value of the lease liability is \$637. The City is required to make quarterly fixed payments of \$72. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$1,125 with accumulated amortization of \$539.

On 07/01/2021, the City entered into a 58-month lease as lessee for the use of Canon - IRA DX 3571F. An initial lease liability was recorded in the amount of \$3,030. As of 06/30/2023, the value of the lease liability is \$1,794. The City is required to make monthly fixed payments of \$54. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of 06/30/2023 of \$3,030 with accumulated amortization of \$1,239.

On 07/01/2021, the City entered into a 24-month lease as lessee for the use of Canon Copier - IRADVC550IV3. An initial lease liability was recorded in the amount of \$3,816. As of 06/30/2023, the value of the lease liability is \$18. The City is required to make monthly fixed payments of \$160. The lease has an interest rate of 0.5140%. The value of the right-to-use asset as of 06/30/2023 of \$0.

On 07/01/2021, the City entered into a 56-month lease as lessee for the use of Canon IRADXC3571F. An initial lease liability was recorded in the amount of \$2,928. As of 06/30/2023, the value of the lease liability is \$1,690. The City is required to make monthly fixed payments of \$54. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of 06/30/2023 of \$2,928 with accumulated amortization of \$1,243.

On 07/01/2021, the City entered into a 32-month lease as lessee for the use of Canon Copier - JRA07249. An initial lease liability was recorded in the amount of \$2,535. As of 06/30/2023, the value of the lease liability is \$638. The City is required to make monthly fixed payments of \$80. The lease has an interest rate of 0.7270%. The value of the right-to-use asset as of 06/30/2023 of \$2,535 with accumulated amortization of \$1,866.

On 07/01/2021, the City entered into a 36-month lease as lessee for the use of Canon Copier - IRC256IF III. An initial lease liability was recorded in the amount of \$1,781. As of 06/30/2023, the value of the lease liability is \$605. The City is required to make monthly fixed payments of \$50. The lease has an interest rate of 0.7270%. The value of the right-to-use asset as of 06/30/2023 of \$1,781 with accumulated amortization of \$1,187.

On 07/01/2021, the City entered into a 46-month lease as lessee for the use of Canon Copier - IRADVDC5740I . An initial lease liability was recorded in the amount of \$8,941. As of 06/30/2023, the value of the lease liability is \$4,314. The City is required to make monthly fixed payments of \$199. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$8,941 with accumulated amortization of \$4,575.

On 07/01/2021, the City entered into a 46-month lease as lessee for the use of Canon Copier - IRADVDC57351. An initial lease liability was recorded in the amount of \$8,489. As of 06/30/2023, the value of the lease liability is \$4,093. The City is required to make monthly fixed payments of \$188. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$8,489 with accumulated amortization of \$4,429.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, the City entered into a 123-month lease as lessee for the use of Sports Equipment - Evt Ctr. An initial lease liability was recorded in the amount of \$396,876.62. As of 06/30/2023, the value of the lease liability is \$323,945. The City is required to make quarterly fixed payments of \$10,500. The lease has an interest rate of 1.6040%. The value of the right-to-use asset as of 06/30/2023 of \$396,877 with accumulated amortization of \$76,939.

On 07/01/2021, the City entered into a 46-month lease as lessee for the use of Event Equipment - Evt Ctr. An initial lease liability was recorded in the amount of \$287,689. As of 06/30/2023, the value of the lease liability is \$91,036. The City is required to make quarterly fixed payments of \$25,000. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2023 of \$287,689 with accumulated amortization of \$147,533.

On 07/01/2021, City entered into an 85-month lease as lessee for the use of 285 NE Main Street. An initial lease liability was recorded in the amount of \$4,595,006. As of 06/30/2023, the value of the lease liability is \$4,301,460. The City is required to make quarterly fixed payments of \$51,250. The lease has an interest rate of 1.3750%. The value of the right-to-use asset as of 06/30/2023 of \$4,595,006 with accumulated amortization of \$1,297,413. City has 2 extension options, each for 60-months.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Governmental Activities

Year Ending June 30	Principal	Interest	Total
2024	\$ 941,491	\$ 109,061	\$ 1,050,552
2025	1,386,280	93,939	1,480,219
2026	1,885,937	68,472	1,954,409
2027	1,331,359	39,345	1,370,704
2028	1,321,036	16,034	1,337,070
2029 - 2032	138,571	3,756	142,327
Total	\$ 7,004,674	\$ 330,607	\$ 7,335,281

Business-type Activities

Year Ending June 30	Principal	Interest	Total
2024	\$ 24,686	\$ 8,804	\$ 33,490
2025	24,856	7,123	31,979
2026	26,655	5,227	31,882
2027	28,695	3,187	31,882
2028	27,286	1,007	28,293
Total	\$ 132,178	\$ 25,348	\$ 157,526

Subscription Liabilities

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information on the subscription assets refer to Note 7, Subscription Assets. Details of the City's subscription liabilities at June 30, 2023, are as follows:

On 07/01/2022, the City entered into a 29-month subscription for the use of Cynamics - Technology Services. An initial subscription liability was recorded in the amount of \$16,487. As of 06/30/2023, the value of the subscription liability is \$8,233. The City is required to make annual fixed payments of \$8,400. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$16,487 with accumulated amortization of \$6,760.

On 07/01/2022, the City entered into a 22-month subscription for the use of Building Blocks - Opportunity Space. An initial subscription liability was recorded in the amount of \$18,851. As of 06/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$19,200. The subscription has an interest rate of 2.0237%. The value of the right-to-use asset as of 06/30/2023 of \$24,251 with accumulated amortization of \$12,671.

On 07/01/2022, the City entered into a 29-month subscription for the use of Cynamics - Energy Resources (Scatta). An initial subscription liability was recorded in the amount of \$8,243.45. As of 06/30/2023, the value of the subscription liability is \$4,117. The City is required to make annual fixed payments of \$4,200. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$8,243 with accumulated amortization of \$3,380.

On 03/31/2023, the City entered into a 24-month subscription for the use of Solarwinds. An initial subscription liability was recorded in the amount of \$7,852.91. As of 06/30/2023, the value of the subscription liability is \$3,881. The City is required to make annual fixed payments of \$3,991. The subscription has an interest rate of 2.8440%. The value of the right-to-use asset as of 06/30/2023 of \$7,853 with accumulated amortization of \$1,034. City has 1 extension option for 12 months.

On 07/01/2022, the City entered into a 33-month subscription for the use of Applications International Corp - Technology Services. An initial subscription liability was recorded in the amount of \$87,343. As of 06/30/2023, the value of the subscription liability is \$58,089.83. The City is required to make annual fixed payments of \$30,000. The subscription has an interest rate of 2.1843%. The value of the right-to-use asset as of 06/30/2023 of \$89,843 with accumulated amortization of \$32,506.

On 01/01/2023, the City entered into a 24-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$34,473. As of 06/30/2023, the value of the subscription liability is \$19,473. The City is required to make annual fixed payments of \$15,000. The subscription has an interest rate of 2.7070%. The value of the right-to-use asset as of 06/30/2023 of \$37,473 with accumulated amortization of \$9,368.

On 07/01/2022, the City entered into a 36-month subscription for the use of Site Industries - Technology Services. An initial subscription liability was recorded in the amount of \$83,239. As of 06/30/2023, the value of the subscription liability is \$41,220. The City is required to make annual fixed payments of \$42,120. The subscription has an interest rate of 2.1843%. The value of the right-to-use asset as of 06/30/2023 of \$111,239 with accumulated amortization of \$37,080 City has 2 extension options, each for 12 months.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2022, the City entered into a 22-month subscription for the use of MCNC - Technology Services. An initial subscription liability was recorded in the amount of \$24,874. As of 06/30/2023, the value of the subscription liability is \$12,321. The City is required to make annual fixed payments of \$12,570. The subscription has an interest rate of 2.0237%. The value of the right-to-use asset as of 06/30/2023 of \$26,374 with accumulated amortization of \$14,129.

On 02/23/2023, the City entered into a 36-month subscription for the use of Trillium Solutions Inc - Public Works. An initial subscription liability was recorded in the amount of \$23,531. As of 06/30/2023, the value of the subscription liability is \$15,481. The City is required to make annual fixed payments of \$8,050. The subscription has an interest rate of 2.6560%. The value of the right-to-use asset as of 06/30/2023 of \$23,531 with accumulated amortization of \$2,789.

On 07/01/2022, the City entered into a 21-month subscription for the use of Medical Priority Consultants - Police. An initial subscription liability was recorded in the amount of \$8,266. As of 06/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$8,400. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$8,266. with accumulated amortization of \$4,592.

On 07/01/2022, the City entered into a 29-month subscription for the use of Cynamics - Energy Resources. An initial subscription liability was recorded in the amount of \$16,487. As of 06/30/2023, the value of the subscription liability is \$8,233. The City is required to make annual fixed payments of \$8,400. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$16,487 with accumulated amortization of \$6,760.

On 12/14/2022, the City entered into a 36-month subscription for the use of SwiftComply Cloud. An initial subscription liability was recorded in the amount of \$12,741. As of 06/30/2023, the value of the subscription liability is \$8,366. The City is required to make annual fixed payments of \$4,375. The subscription has an interest rate of 3.2380%. The value of the right-to-use asset as of 06/30/2023 of \$12,741 with accumulated amortization of \$2,324.

On 07/01/2022, the City entered into a 20-month subscription for the use of ESRI - Technology Services. An initial subscription liability was recorded in the amount of \$5,935. As of 06/30/2023, the value of the subscription liability is \$2,940. The City is required to make annual fixed payments of \$3,000. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$19,435 with accumulated amortization of \$11,340.

On 07/01/2022, the City entered into a 22-month subscription for the use of Cornerstone Ondemand - Technology Services. An initial subscription liability was recorded in the amount of \$28,988. As of 06/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$29,500. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$28,988 with accumulated amortization of \$15,483 City has 1 extension option for 12 months.

On 07/01/2022, the City entered into a 13-month subscription for the use of MobilePD -Technology Services. An initial subscription liability was recorded in the amount of \$56,719. As of 06/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$56,800. The subscription has an interest rate of 1.7103%. The value of the right-to-use asset as of 06/30/2023 of \$56,719 with accumulated amortization of \$52,356.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 12/07/2022, the City entered into a 23-month subscription for the use of Fusus Inc - Police. An initial subscription liability was recorded in the amount of \$192,251. As of 06/30/2023, the value of the subscription liability is \$127,251. The City is required to make annual fixed payments of \$65,000. The subscription has an interest rate of 2.0237%. The value of the right-to-use asset as of 06/30/2023 of \$192,251 with accumulated amortization of \$57,338.

The future minimum lease obligations and the net present value of these minimum subscription payments as of June 30, 2023, are as follows:

Governmental Activities			
Year Ending June 30	Principal	Interest	Total
2024	\$ 200,328	\$ 5,403	\$ 205,731
2025	100,912	2,139	103,051
Total	<u>\$ 301,240</u>	<u>\$ 7,542</u>	<u>\$ 308,782</u>

Business-type Activities			
Year Ending June 30	Principal	Interest	Total
2024	\$ 4,117	\$ 271	\$ 4,388
2025	4,249	138	4,387
Total	<u>\$ 8,366</u>	<u>\$ 409</u>	<u>\$ 8,775</u>

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CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Long-term debt obligations of the City at June 30, 2023, consist of the following:

	Served By:	
	Governmental Activities	Business-type Activities
Direct Placement Installment Purchases:		
Improvements; due in monthly installments of \$24,167 plus interest; maturing June 2028; interest at 3.20%	\$ 278,500	\$ 1,171,500
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55%	3,233,333	-
Improvements; due in monthly installments of \$14,119 plus interest; maturing May 2024; interest at 2.36%	155,305	-
Improvements; due in monthly installments of \$21,017 plus interest; maturing May 2024; interest at 2.96%	-	231,186
Improvements; due in monthly installments of \$23,083; maturing June 2025; interest at 2.07%	442,000	112,000
Equipment; due in monthly installments of \$26,722; maturing April 2025; interest at 1.793%	294,311	283,581
Equipment; due in monthly installments of \$76,592; maturing May 2026; interest at 0.762%	-	2,500,476
Equipment; due in monthly installments of \$21,626; maturing April 2024; interest at 2.4131%	99,113	114,771
Equipment; due in annual installments of \$140,288; maturing April 2025; interest at 3.150%	267,675	-
Equipment; due in monthly installments of \$55,665; maturing November 2026; interest at 1.1705%	1,127,191	1,108,966
Equipment; due in monthly installments of \$95,355; maturing April 2025; interest at 1.793%	2,341,615	2,307,166
Improvements; due in monthly installments of \$31,543; maturing June 2033; interest at 3.935%	3,124,999	-
Total direct placement installment purchases	\$ 11,364,044	\$ 7,829,646

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The City's outstanding note from direct placement of \$1,450,000 with \$278,500 related to governmental activities and \$1,171,500 related to business-type activities is secured with collateral of the fire station at 9914 NC Hwy 4. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the bank may proceed by appropriate court action to enforce performance, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$3,233,333 related to governmental activities is secured with collateral of the Imperial Center at 270 Gay Street. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the bank may proceed by appropriate court action to enforce performance, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding notes from direct placement of \$155,305 related to governmental activities and \$231,186 related to business-type activities are secured with collateral of the Judicial Center at 305 Cokey Road. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the bank may proceed by appropriate court action to enforce performance, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$554,000 with \$442,000 related to governmental activities and \$112,000 related to business-type activities are secured with collateral of the South Rocky Mount Community Center at 719 Recreation Drive. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the bank may proceed by appropriate court action to enforce performance, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$577,892 with \$294,311 related to governmental activities and \$283,581 related to business-type activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately and the interest rate would increase to 12% per annum, (2) the escrow agent may return proceeds to the bank, (3) termination of any leases to all equipment, and/or (4) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$2,500,476 related to business-type activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the City is required to return all equipment to the bank, or the bank repossess such items and sell, lease, or otherwise dispose of the items, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$213,884 with \$99,113 related to governmental activities and \$114,771 related to business-type activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the City is required to return all equipment to the bank, or the bank repossess such items and sell, lease, or

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

otherwise dispose of the items, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$267,675 related to governmental activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the City is required to return all equipment to the bank, or the bank repossess such items and sell, lease, or otherwise dispose of the items, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$2,236,157 with \$1,127,191 related to governmental activities and \$1,108,966 related to business-type activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the City is required to return all equipment to the bank, or the bank repossess such items and sell, lease, or otherwise dispose of the items, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$4,648,781 with \$2,341,615 related to governmental activities and \$2,307,166 related to business-type activities is secured by the various pieces of equipment financed. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the City is required to return all equipment to the bank, or the bank repossess such items and sell, lease, or otherwise dispose of the items, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

The City's outstanding note from direct placement of \$3,124,999 related to governmental activities is secured with collateral of the Business Services Center at 224 South Franklin Street. The note contains provisions that an event of default could result in the following remedies: (1) all components become due and payable immediately, (2) the bank may proceed by appropriate court action to enforce performance, and/or (3) the bank may exercise any other right, remedy, or privilege available under applicable law.

	Serviced By:	
	Governmental Activities	Business-type Activities
Other Long-term Debt:		
Direct borrowing - HUD - Section 108 Loan Guarantee	\$ 915,000	\$ -
Special obligation bonds - Event Center	30,325,000	-
Unamortized special obligation bond premium/(discount)	1,143,352	-
Lease liabilities	7,004,674	-
Direct borrowing - NCDENR	-	3,082,811
Subtotal	\$ 39,388,026	\$ 3,082,811

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Long-term debt categorized as “Direct borrowing - NCDENR” in the business-type activities includes four sewer revolving loans and one water revolving loan financed through NCDENR.

Direct Borrowing - NCDENR:

Revolving loan due in annual payments of \$29,776 plus interest; maturing May 1, 2025; interest at 2.205%	\$ 59,553
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305%	936,084
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0%	1,124,909
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02%	875,513
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0%	86,752
	\$ 3,082,811

Compensated absences, pension obligations, and other post-employment benefits are typically liquidated by the General fund for governmental funds. The other post-employment benefits for the business-type activities are liquidated in their respective proprietary funds.

Special Obligation Bonds

The City issued \$36,815,000 Special Obligation Bonds on December 28, 2016, which were used to finance construction of the Rocky Mount Event Center. Principal is due annually, in installments ranging from \$300,000 to \$2,965,000, beginning fiscal year 2019 through May 2036; interest is due semi-annually at rates ranging from 3.5% to 5.0%. Outstanding balance at June 30, 2023, is \$30,325,000.

Annual debt service requirements to maturity for the City’s special obligation bonds without regard to accrued interest are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 1,735,000	\$ 1,332,550
2025	1,820,000	1,245,800
2026	1,910,000	1,154,800
2027	2,005,000	1,059,300
2028	2,110,000	959,050
2029 - 2033	12,165,000	3,171,700
2034 - 2036	8,580,000	621,875
Total	\$ 30,325,000	\$ 9,545,075

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Changes in Long-term Debt

The following are summaries of changes in the City's long-term debt for the year ended June 30, 2023:

	Balance 6/30/2022, <u>restated</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, 2023	Due within <u>One Year</u>
Governmental Activities:					
Direct placement					
installment purchases	\$ 7,958,334	\$ 5,707,999	\$ 2,302,289	\$ 11,364,044	\$ 2,550,929
Special obligation bonds	31,975,000	-	1,650,000	30,325,000	1,735,000
Unamortized bond premium	1,449,736	-	306,384	1,143,352	-
Lease liabilities	7,422,136	449,047	866,509	7,004,674	941,491
Subscription liabilities	355,432	258,108	312,300	301,240	200,328
Total pension liability - LEOSSA	10,163,709	623,722	2,101,578	8,685,853	-
Direct borrowing - HUD Loan	1,060,000	-	145,000	915,000	145,000
Net pension liability - LGERS	7,499,084	28,043,055	8,633,778	26,908,361	-
Total OPEB liability	38,456,861	2,352,098	6,799,838	34,009,121	-
Compensated absences	3,776,223	1,896,528	2,018,086	3,654,665	2,018,087
Total	\$ 110,116,515	\$ 39,330,557	\$ 25,135,762	\$ 124,311,310	\$ 7,590,835
Business-type Activities:					
Direct placement					
installment purchases	\$ 7,957,907	\$ 2,545,000	\$ 2,673,261	\$ 7,829,646	\$ 2,502,305
Direct borrowing - NCDENR	3,512,240	-	429,428	3,082,812	429,428
Lease liabilities	-	135,978	3,800	132,178	24,686
Subscription liabilities	-	12,741	4,375	8,366	4,117
Net pension liability - LGERS	2,747,638	7,559,747	2,327,463	7,979,922	-
Total OPEB liability	11,961,262	711,250	1,954,084	10,718,428	-
Compensated absences	830,418	603,843	651,143	783,118	651,134
Total	\$ 27,009,465	\$ 11,568,559	\$ 8,043,554	\$ 30,534,470	\$ 3,611,670

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>One Year</u>
Electric Fund:					
Direct placement					
installment purchases	\$ 4,123,867	\$ 2,250,000	\$ 1,408,892	\$ 4,964,975	\$ 1,405,986
Lease liabilities	-	39,048	1,530	37,518	6,717
Net pension liability - LGERS	831,942	2,591,913	797,987	2,625,868	-
Total OPEB liability	3,999,652	240,383	694,938	3,545,097	-
Compensated absences	263,245	276,448	247,537	292,156	247,537
Total	<u>\$ 9,218,706</u>	<u>\$ 5,397,792</u>	<u>\$ 3,150,884</u>	<u>\$ 11,465,614</u>	<u>\$ 1,660,240</u>
Gas Fund:					
Direct placement					
installment purchases	\$ 538,676	\$ -	\$ 307,490	\$ 231,186	\$ 231,186
Lease liabilities	-	61,109	-	61,109	11,378
Net pension liability - LGERS	252,617	1,007,966	310,329	950,254	-
Total OPEB liability	1,326,972	79,113	228,714	1,177,371	-
Compensated absences	95,665	56,184	63,297	88,552	63,297
Total	<u>\$ 2,213,930</u>	<u>\$ 1,204,372</u>	<u>\$ 909,830</u>	<u>\$ 2,508,472</u>	<u>\$ 305,861</u>
Water Fund:					
Direct placement					
installment purchases	\$ 470,220	\$ -	\$ 189,070	\$ 281,150	\$ 169,625
Direct borrowing - NCDENR	99,146	-	12,393	86,753	12,393
Lease liabilities	-	34,579	1,703	32,876	6,014
Subscription liabilities	-	12,741	4,375	8,366	4,117
Net pension liability - LGERS	748,490	1,871,937	576,324	2,044,103	-
Total OPEB liability	3,036,409	146,055	422,241	2,760,223	-
Compensated absences	227,335	133,196	162,045	198,486	162,044
Total	<u>\$ 4,581,600</u>	<u>\$ 2,198,508</u>	<u>\$ 1,368,151</u>	<u>\$ 5,411,957</u>	<u>\$ 354,193</u>
Sewer Fund:					
Direct placement					
installment purchases	\$ 2,188,308	\$ 179,000	\$ 554,746	\$ 1,812,562	\$ 547,795
Direct borrowing - NCDENR	3,413,094	-	417,036	2,996,058	417,035
Lease liabilities	-	1,242	568	674	577
Net pension liability - LGERS	559,567	1,115,963	343,578	1,331,952	-
Total OPEB liability	2,016,377	160,500	361,884	1,814,993	-
Compensated absences	129,867	73,581	88,890	114,558	88,890
Total	<u>\$ 8,307,213</u>	<u>\$ 1,530,286</u>	<u>\$ 1,766,702</u>	<u>\$ 8,070,797</u>	<u>\$ 1,054,297</u>
Stormwater Fund:					
Direct placement					
installment purchases	\$ 636,836	\$ 116,000	\$ 213,063	\$ 539,773	\$ 147,713
Net pension liability - LGERS	355,022	971,968	299,245	1,027,745	-
Total OPEB liability	1,581,852	85,199	246,307	1,420,744	-
Compensated absences	114,306	64,434	89,374	89,366	89,366
Total	<u>\$ 2,688,016</u>	<u>\$ 1,237,601</u>	<u>\$ 847,989</u>	<u>\$ 3,077,628</u>	<u>\$ 237,079</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Maturities of Long-term Debt

The annual requirements to retire all direct placement installment purchases and other direct borrowing long-term debt at June 30, 2023, including interest, are as follows:

	Direct Placement Installment Purchases		Other Direct Borrowing Long-term Debt	
	Principal	Interest	Principal	Interest
Governmental Activities:				
2024	\$ 2,550,929	\$ 315,015	\$ 145,000	\$ 35,257
2025	2,309,666	248,866	145,000	29,486
2026	1,852,245	188,158	145,000	23,570
2027	1,690,988	134,723	145,000	17,523
2028	1,244,749	86,174	145,000	11,368
2029 - 2033	1,715,468	177,092	190,000	4,132
Total	<u>\$ 11,364,045</u>	<u>\$ 1,150,028</u>	<u>\$ 915,000</u>	<u>\$ 121,336</u>
Business-type Activities:				
2024	\$ 2,502,304	\$ 150,107	\$ 437,844	\$ 40,771
2025	2,162,316	104,559	437,844	33,863
2026	1,776,594	65,250	399,652	26,954
2027	919,727	32,046	399,652	20,888
2028	468,706	6,272	399,652	14,822
2029 - 2033	-	-	1,008,167	26,265
Total	<u>\$ 7,829,647</u>	<u>\$ 358,234</u>	<u>\$ 3,082,811</u>	<u>\$ 163,563</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, 2023, the City had \$30,325,000 in special obligation bond debt outstanding which was applicable to limitation and a legal debt margin of \$288,692,578.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

14. Interfund Balances and Activity

Due To/From Other Funds

The composition of interfund balances as of June 30, 2023, are as follows:

Payable Fund	Receivable Fund	
	General	Electric
Electric Fund	\$ 118,436	\$ -
General fund	-	59,359
Public Transportation Grants Fund	167,301	-
Capital Projects	-	287,172
RM Public Facilities Corporation	16,649,800	-
Total	\$ 16,935,537	\$ 346,531

During fiscal year 2017, the General fund loaned \$16,649,800 from special obligation bonds proceeds to the Rocky Mount Public Facilities Corporation to facilitate the tax credit financing for the Rocky Mount Event Center project. The balance on this loan at June 30, 2023, was \$16,649,800 and no portion of the loan is scheduled to be collected in the subsequent year.

During fiscal year 2017, the Electric fund loaned funds to the General fund for the purpose of renovating the bus station and funds to Capital Projects fund for improvements at Booker T Washington High School. The balance on this loan at June 30, 2023, was \$287,172.

Other interfund balances are the result of cash advances to cover expenses in advance of other funding sources.

Transfers To/From Other Funds

Transfers Out	Transfers In			Total
	General Fund/ Powell Bill	Nonmajor Governmental	Nonmajor Enterprise	
General Fund	\$ -	\$ 1,130,810	\$ 75,000	\$ 1,205,810
ARPA Fund	10,000,000	-	-	10,000,000
Nonmajor governmental funds	250,000	-	-	250,000
Electric Fund	2,600,000	-	-	2,600,000
Gas Fund	400,000	-	-	400,000
Total	\$ 13,250,000	\$ 1,130,810	\$ 75,000	\$ 14,455,810

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

The transfer between the General fund and nonmajor enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds. Transfers between the General fund and nonmajor governmental funds represent funding of Public Transportation Grants, Entitlement Grants, Crime/Safety Control and Emergency Telephone System.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Electric and Gas 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.

15. **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 \$665,880 to the library's operating purposes during the year ended June 30, 2023.

North Carolina Eastern Municipal Power Agency

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

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

To finance its ownership interest in the Initial Project, the Agency issued bonds. On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA's outstanding revenue bonds. The NCEMPA entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA's new revenue bonds. At December 31, 2022, \$141,090,000 of the bonds were outstanding (plus unamortized premium of \$222,837). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

16. Joint Ventures

Rocky Mount-Wilson Airport Authority

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority (RMWAA). Each of the entities appoints members of the seven-member Council of Commissioners of RMWAA. The City appoints two of the seven Council members. The City has an ongoing financial responsibility for the airport and contributed \$95,720 to RMWAA for operating purposes and capital outlay during the year ended June 30, 2023. The participants in the joint venture have an equity interest in RMWAA’s real property; therefore, an equity interest of \$7,702,023 which represents 29% of the net position of the RMWAA shown in their June 30, 2022 financial statements has been reflected in the City’s Statement of Net Position as a noncurrent asset at June 30, 2023. The current year investment is included in the miscellaneous revenues in the Statement of Activities. Complete financial statements for RMWAA may be obtained from the RMWAA’s administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

17. Related Organizations

Rocky Mount Housing Authority

The Rocky Mount Housing Authority (the “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, 2023, this payment totaled \$84,317.

18. Related Parties

Opportunities Industrialization Center (OIC)

OIC of Rocky Mount is a non-profit corporation that provides training programs for industrial trade skills that lead to employment opportunities. OIC also has clinics providing health care to areas of the community that may not have access to health care. Two OIC Board members serve on the City’s Council and have signed the City’s conflict of interest policies. The related party-council members recuse themselves from voting on actions that involve the OIC.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The payments made to OIC during FY23 consisted of the following: Youth Connect Summer Program - \$65,853; Carpentry Trade Training Program - \$33,653; and Community Facility Repair - CDBG Grant - \$37,500.

There were not any outstanding amounts payable to the OIC from the City as of June 30, 2023. The OIC paid \$242,675 to the City for utilities in fiscal year 2023. The total balance due to the City for utilities was \$957 as of June 30, 2023. The OIC paid the City \$11,875 in property tax and general billing for FY23.

19. 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 \$27,319,349 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General fund.

20. 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, 2023, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of Uniform Guidance and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

21. Significant Contingencies

Environmental Concerns

The City operated a coal gas manufacturing plant from the 1920's to 1950's. In general, manufactured gas plants (MGP) produced coal gas for lighting and heating from coal. Byproducts of this process including coal tar and oils were typically stored and disposed of on sight. This may have caused contamination of the subsurface area of the MGP. The City has had to implement a NC Department of Environmental and Natural Resources (NCDENR) approved remedial investigation (RI) to determine the extent of any subsurface contamination and to develop and implement a NCDENR approved remedial action plan (RAP) to address any subsurface contamination. A remedial investigation (RI) work plan was developed and approved by NCDENR. A Consultant completed the RI and soil contaminants were found. The Consultant recommended performing a more in-depth RI to determine the extent of soil contamination. Results of the RI and consultant's recommendation have been forwarded to NCDENR for their analysis. NCDENR approved the consultant's recommendation for a more in-depth RI, and a remedial action plan (RAP) was developed and submitted to NCDENR for approval. Site cleanup activities were conducted from late December 2011 to mid-January 2012. A Remedial Action Report (RAR) was prepared and submitted to NCDENR on March 20, 2012, and was approved by NCDENR on April 26, 2012. Long-term groundwater monitoring was initiated during the 3rd Quarter of 2012. The monitoring is done each year to verify that the contamination is not seeping down and spreading to the groundwater. The City established a Declaration of Perpetual Land Use Restrictions (DPLURs) for

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

the property which restricts groundwater use and soil exposure at the site. The restrictions are included on the property deed in accordance with NCDENR requirements. The City will continue to monitor the contamination levels and groundwater monitoring will likely continue for the foreseeable future. As of June 30, 2023, the City has paid \$1,026,951 in costs for remediation. Annually, the City has the contamination levels and groundwater monitored. These costs are not included in the remediation costs.

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.

22. Change in Accounting Principle

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' SBITA activities. This statement establishes a single model for lease accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a SBITA liability and an intangible SBITA asset, and a lessor is required to recognize a SBITA receivable and a deferred inflow of resources.

23. Prior Period Restatement

Beginning net position for governmental activities and beginning fund balance for the General fund have been restated as of July 1, 2022, to correctly include the September sales tax distributions which are based on June sales. In accordance with GASB Statement No. 33, the assets and revenues from derived tax revenues should be recorded when the underlying exchange transaction (i.e., the sales) occur. The net effect of the prior period adjustments increased the beginning net position for the governmental activities and beginning fund balance in the General Fund by \$1,624,214 which represents the September 2021 sales tax distribution from the State.

Beginning net position for governmental activities has been restated as of July 1, 2022, to correct the implementation of GASB 87. The net effect of the prior period adjustment decreased the beginning net position for the governmental activities by \$207,691 which represents the difference between the right-to-use lease asset and the lease liability.

Beginning net position for governmental activities and beginning fund balance for the Communication fund have been restated as of July 1, 2022, to correctly include an installment purchase that was authorized on April 1, 2022. The net effect of the prior period adjustments decreased the beginning net position for the governmental activities and beginning fund balance in the Communication fund by \$395,329 which represents installment purchase payable.

REQUIRED SUPPLEMENTARY INFORMATION

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
LAST SEVEN FISCAL YEARS**

Schedule of Changes in Total Pension Liability				
	2023	2022	2021	2020
Beginning balance	\$ 10,163,709	\$ 9,644,868	\$ 6,774,086	\$ 6,458,668
Service cost	401,492	457,947	285,180	253,130
Interest on the total pension liability	222,230	180,588	213,252	226,955
Differences between expected and actual experience in the measurement of the total pension liability	(6,764)	728,359	403,795	82,210
Changes of assumptions or other inputs	(1,521,198)	(272,058)	2,433,809	200,430
Benefit payments	(573,616)	(575,995)	(465,254)	(447,307)
Ending balance of the total pension liability	\$ 8,685,853	\$ 10,163,709	\$ 9,644,868	\$ 6,774,086

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll				
	2023	2022	2021	2020
Total pension liability	\$ 8,685,853	\$ 10,163,709	\$ 9,644,868	\$ 6,774,086
Covered-employee payroll	8,948,841	9,625,017	9,242,275	8,996,059
Total pension liability as a percentage of covered-employee payroll	97.06%	105.60%	104.36%	75.30%

The City of Rocky Mount has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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

	2019	2018	2017
\$	6,480,575	\$ 5,970,895	\$ 6,054,979
	283,672	240,984	251,244
	198,069	223,166	208,917
	172,567	59,335	-
	(251,098)	364,970	(138,294)
	(425,117)	(378,775)	(405,951)
\$	<u>6,458,668</u>	<u>\$ 6,480,575</u>	<u>\$ 5,970,895</u>

	2019	2018	2017
\$	6,458,668	\$ 6,480,575	\$ 5,970,895
	9,058,653	8,889,420	8,929,219
	71.30%	72.90%	66.87%

CITY OF ROCKY MOUNT, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

Schedule of Changes in Total OPEB Liability and Related Ratios

	2023	2022	2021	2020
Beginning balance	\$ 50,418,123	\$ 43,720,660	\$ 38,067,256	\$ 42,631,171
Service cost	1,898,159	1,887,422	1,378,347	1,589,219
Interest on the total OPEB liability	1,111,187	983,085	1,332,536	1,615,498
Changes of benefit terms				
Differences between expected and actual experience in the measurement of the total OPEB liability	(445,051)	(349,041)	598,657	(6,000,210)
Changes of assumptions or other inputs	(6,500,633)	6,437,525	5,113,973	456,131
Benefit payments	(1,754,236)	(2,261,528)	(2,770,109)	(2,224,553)
Ending balance of the total OPEB liability	<u>\$ 44,727,549</u>	<u>\$ 50,418,123</u>	<u>\$ 43,720,660</u>	<u>\$ 38,067,256</u>
Covered employee payroll	\$ 41,735,081	\$ 41,735,081	\$ 43,302,150	\$ 43,302,150
Total OPEB liability as a percentage of covered employee payroll	107.17%	120.81%	100.97%	87.91%

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

The City of Rocky Mount has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

	2019	2018
\$	43,121,881	\$ 44,503,816
	1,645,340	1,782,808
	1,482,776	1,304,210
	721,224	269,246
	(1,372,334)	(2,371,524)
	(2,967,716)	(2,366,675)
\$	<u>42,631,171</u>	<u>\$ 43,121,881</u>
\$	41,459,141	\$ 41,459,141
	102.83%	104.01%

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

	Local Governmental Employee's Retirement System			
	2023	2022	2021	2020
City of Rocky Mount's proportion of the net pension liability (asset) (%)	0.61843%	0.66815%	0.66554%	0.67972%
City of Rocky Mount's proportion of the net pension liability (asset) (\$)	\$ 34,888,283	\$ 10,246,722	\$ 23,782,578	\$ 18,562,622
City of Rocky Mount's covered payroll	\$ 48,836,185	\$ 46,490,055	\$ 46,084,456	\$ 45,477,353
City of Rocky Mount's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	71.44%	22.04%	51.61%	40.82%
Plan fiduciary net position as a percentage of the total pension liability **	84.14%	95.51%	88.61%	90.86%

* The amounts presented are for the prior fiscal year.

** This will be the same percentage for all participant employers in the LGERS plan.

2019	2018	2017	2016	2015	2014
0.70657%	0.73600%	0.74706%	0.74706%	0.77070%	0.77537%
\$ 16,762,258	\$ 11,244,041	\$ 15,855,115	\$ 3,458,867	\$ (4,572,714)	\$ 9,816,647
\$ 44,459,895	\$ 43,549,901	\$ 42,215,771	\$ 41,170,604	\$ 39,599,802	\$ 39,111,519
37.70%	25.82%	37.56%	8.40%	-11.55%	25.10%
91.63%	94.18%	91.47%	102.64%	94.35%	94.35%

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Local Governmental Employee's Retirement System				
	2023	2022	2021	2020
Contractually required contribution	\$ 6,707,395	\$ 5,579,848	\$ 4,800,381	\$ 4,211,950
Contributions in relation to the contractually required contribution	6,707,395	5,579,848	4,800,381	4,211,950
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City of Rocky Mount's covered payroll	\$ 54,998,156	\$ 48,836,185	\$ 46,490,055	\$ 46,084,456
Contributions as a percentage of covered payroll	12.20%	11.43%	10.33%	9.14%

	2019	2018	2017	2016	2015	2014
\$	3,590,277	\$ 3,422,233	\$ 3,246,821	\$ 2,879,744	\$ 2,938,437	\$ 2,815,978
	<u>3,590,277</u>	<u>3,422,233</u>	<u>3,246,821</u>	<u>2,879,744</u>	<u>2,938,437</u>	<u>2,815,978</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	45,477,353	\$ 44,459,895	\$ 43,549,901	\$ 42,215,771	\$ 41,170,604	\$ 39,599,802
	7.89%	7.70%	7.46%	6.82%	7.14%	7.11%

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.

ARPA FUND

The ARPA Fund is grant project special revenue fund established to account for the City's \$11,521,180 portion of the American Rescue Plan Act (ARPA) funding.

ROCKY MOUNT PUBLIC FACILITIES CORPORATION

This fund is used to account for the non-profit entity which organized for the exclusive purpose of promoting the general welfare of the citizens of the City by assisting the City in carrying out its governmental functions, through the acquisition, construction, operation, sale or lease of real estate and improvements, facilities, equipment, and other personal property.

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 28,425,000	\$ 28,919,603	\$ 494,603
Prior years	515,000	1,404,460	889,460
Special district	60,000	62,401	2,401
Penalties and interest	275,000	534,738	259,738
Total	29,275,000	30,921,202	1,646,202
Intergovernmental Revenues:			
Payment in lieu of taxes	2,082,640	2,106,957	24,317
Local option sales tax	17,450,000	16,789,438	(660,562)
Telecommunications tax	355,000	305,954	(49,046)
Franchise tax	4,090,000	4,300,064	210,064
Tax refunds	75,000	36,793	(38,207)
Beer and wine tax	240,000	246,949	6,949
ABC revenues	330,000	375,711	45,711
Court facilities fees	70,000	57,838	(12,162)
State grants	2,678,000	1,772,612	(905,388)
Other	1,157,139	1,225,789	68,650
Total	28,527,779	27,218,105	(1,309,674)
Licenses, Permits and Other Taxes:			
Building permits and inspection fees	656,800	727,246	70,446
Rental vehicle tax	85,000	90,619	5,619
Animal tax	16,000	16,739	739
Other	1,044,000	1,078,716	34,716
Total	1,801,800	1,913,320	111,520
Sales and Service:			
Solid waste and recycling charges	4,897,500	4,987,010	89,510
Reconnection charges	325,000	355,710	30,710
Weed control charges	130,000	(65,463)	(195,463)
Cemetery revenues	180,000	207,675	27,675
Sale of fixed assets	146,500	76,792	(69,708)
Recreation charges	663,100	386,670	(276,430)
Event Center revenues	1,641,890	1,675,131	33,241
Transfer station charges	4,025,000	4,183,838	158,838
Concessions	152,000	119,181	(32,819)
Other	100,700	(48,735)	(149,435)
Total	12,261,690	11,877,809	(383,881)
Investment Earnings	1,029,870	1,737,328	707,458

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Revenues (Continued):			
Miscellaneous:			
Insurance	\$ 40,000	\$ 6,899	\$ (33,101)
Demolition assessment	30,000	65,235	35,235
Excess utility tax	100,000	108,606	8,606
Rents	430,000	410,791	(19,209)
Contributions	88,500	179,650	91,150
Parking	110,400	101,656	(8,744)
Other	631,749	474,216	(157,533)
Total	<u>1,430,649</u>	<u>1,347,053</u>	<u>(83,596)</u>
Total revenues	<u>74,326,788</u>	<u>75,014,817</u>	<u>688,029</u>
Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	148,090	148,087	3
Employee benefits	70,320	61,540	8,780
Operating expenses	1,049,810	820,721	229,089
Capital outlay	25,000	570	24,430
Utility service fee	(636,900)	(636,900)	-
Total	<u>656,320</u>	<u>394,018</u>	<u>262,302</u>
City Clerk:			
Salaries	265,060	265,056	4
Employee benefits	87,910	86,412	1,498
Operating expenses	40,930	27,678	13,252
Capital outlay	5,500	3,227	2,273
Utility service fee	(220,599)	(220,600)	1
Total	<u>178,801</u>	<u>161,773</u>	<u>17,028</u>
Internal Audit:			
Salaries	224,660	224,618	42
Employee benefits	74,410	71,115	3,295
Operating expenses	15,777	10,596	5,181
Capital outlay	1,600	828	772
Utility service fee	(164,400)	(164,400)	-
Total	<u>152,047</u>	<u>142,757</u>	<u>9,290</u>
Community Services:			
Operating expenses	12,620,009	3,116,699	9,503,310
Utility service fee	(1,564,200)	(1,564,200)	-
Capital outlay	1,267,215	1,262,385	4,830
Total	<u>12,323,024</u>	<u>2,814,884</u>	<u>9,508,140</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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
General Government (Continued):			
City Manager:			
Salaries	\$ 755,090	\$ 751,522	\$ 3,568
Employee benefits	220,000	214,920	5,080
Operating expenses	255,599	157,889	97,710
Utility service fee	(692,600)	(692,600)	-
Total	538,089	431,731	106,358
Communications and Marketing:			
Salaries	296,550	295,488	1,062
Employee benefits	95,980	95,242	738
Operating expenses	220,012	180,590	39,422
Capital outlay	86,014	75,201	10,813
Utility service fee	(308,499)	(308,500)	1
Total	390,057	338,021	52,036
Downtown Development:			
Salaries	170,680	170,663	17
Employee benefits	53,570	50,411	3,159
Operating expenses	1,635,349	834,910	800,439
Utility service fee	(501,300)	(501,300)	-
Capital outlay	25,839	10,033	15,806
Total	1,384,138	564,717	819,421
Business and Collections Services:			
Salaries	2,661,642	2,661,638	4
Employee benefits	909,942	908,923	1,019
Operating expenses	1,442,988	1,372,452	70,536
Capital outlay	22,791	12,594	10,197
Utility service fee	(4,912,856)	(4,912,857)	1
Total	124,507	42,750	81,757
Technology Services:			
Technology Services:			
Salaries	520,780	520,773	7
Employee benefits	157,280	157,270	10
Operating expenses	342,802	322,230	20,572
Capital outlay	265,806	133,747	132,059
Utility service fee	(1,051,589)	(1,051,589)	-
Total	235,079	82,431	152,648
Network Administration:			
Salaries			
Employee benefits			
Operating expenses	369,802	362,277	7,525
Capital outlay	547,099	463,971	83,128
Utility service fee	(820,900)	(820,900)	-
Total network administration	96,001	5,348	90,653

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
General Government (Continued):			
System Administration:			
Salaries	\$ 59,230	\$ 58,296	\$ 934
Employee benefits	21,050	19,323	1,727
Operating expenses	333,263	325,046	8,217
Capital outlay	231,340	142,619	88,721
Utility service fee	(491,800)	(491,800)	-
Total system administration	153,083	53,484	99,599
Project Management Office:			
Salaries	491,010	491,007	3
Employee benefits	155,580	155,571	9
Operating expenses	1,172,280	757,001	415,279
Capital outlay	679,884	606,503	73,381
Utility service fee	(2,036,600)	(2,036,600)	-
Total project management office	462,154	(26,518)	488,672
GIS Administration:			
Salaries	81,110	81,106	4
Employee benefits	24,880	24,878	2
Operating expenses	111,557	101,610	9,947
Utility service fee	(150,200)	(150,200)	-
Total GIS administration	67,347	57,394	9,953
Total technology services	1,013,664	172,139	841,525
Finance:			
Administration:			
Salaries	140,050	139,708	342
Employee benefits	40,960	40,930	30
Operating expenses	1,655,540	1,639,682	15,858
Utility service fee	(1,806,600)	(1,806,600)	-
Total	29,950	13,720	16,230
Accounting:			
Salaries	769,150	769,141	9
Employee benefits	248,370	241,211	7,159
Operating expenses	74,782	74,755	27
Capital outlay	3,738	1,828	1,910
Utility service fee	(945,399)	(945,400)	1
Total	150,641	141,535	9,106
Purchasing:			
Salaries	348,070	347,570	500
Employee benefits	135,350	125,398	9,952
Operating expenses	57,790	42,165	15,625
Utility service fee	(504,930)	(504,930)	-
Total	36,280	10,203	26,077
Total finance	216,871	165,458	51,413

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
General Government (Continued):			
Central Services:			
Property and Risk Management:			
Salaries	\$ 369,630	\$ 369,365	\$ 265
Employee benefits	139,930	137,412	2,518
Operating expenses	2,289,240	2,114,526	174,714
Capital outlay	3,650,531	2,764,011	886,520
Utility service fee	(4,534,362)	(4,534,363)	1
Total	1,914,969	850,951	1,064,018
Print Shop:			
Operating expenses	129,990	98,415	31,575
Utility service fee	(52,500)	(52,500)	-
Total	77,490	45,915	31,575
Judicial Center:			
Operating expenses	79,000	73,368	5,632
Capital outlay	75,482	73,269	2,213
Total	154,482	146,637	7,845
Total central services	2,146,941	1,043,503	1,103,438
Development Services:			
Administration:			
Salaries	514,160	513,053	1,107
Employee benefits	176,180	172,283	3,897
Operating expenses	41,917	40,767	1,150
Total	732,257	726,103	6,154
Inspections:			
Salaries	782,480	782,477	3
Employee benefits	240,400	238,210	2,190
Operating expenses	58,308	54,461	3,847
Capital outlay	2,118	1,347	771
Total	1,083,306	1,076,495	6,811
Housing Code Enforcement:			
Salaries	459,560	459,512	48
Employee benefits	166,340	161,038	5,302
Operating expenses	545,536	363,270	182,266
Total	1,171,436	983,820	187,616
Total development services	2,986,999	2,786,418	200,581
Community and Business Development:			
Administration:			
Salaries	899	894	5
Employee benefits	330	325	5
Operating expenses	(1,695)	(1,696)	1
Total	(466)	(477)	11

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
General Government (Continued):			
Community Development:			
Salaries	\$ 306,341	\$ 294,334	\$ 12,007
Employee benefits	145,490	144,398	1,092
Operating expenses	1,592,405	686,192	906,213
Utility service fee	(1,046,520)	(1,046,520)	-
Capital outlay	28,240	28,238	2
Total	<u>1,025,956</u>	<u>106,642</u>	<u>919,314</u>
Neighborhood Redevelopment:			
Operating expenses	953,164	615,677	337,487
Utility service fee	(388,400)	(388,400)	-
Total	<u>564,764</u>	<u>227,277</u>	<u>337,487</u>
Total community and business development	<u>1,590,254</u>	<u>333,442</u>	<u>1,256,812</u>
Human Resources:			
Salaries	968,100	968,092	8
Employee benefits	2,515,376	2,489,307	26,069
Operating expenses	849,619	427,606	422,013
Capital outlay	8,020	3,719	4,301
Utility service fee	(1,738,299)	(1,738,300)	1
Total human resources	<u>2,602,816</u>	<u>2,150,424</u>	<u>452,392</u>
Human Relations:			
Salaries	471,630	471,610	20
Employee benefits	159,510	159,507	3
Operating expenses	134,520	52,160	82,360
Capital outlay	2,650	2,494	156
Utility service fee	(173,000)	(173,000)	-
Total human relations	<u>595,310</u>	<u>512,771</u>	<u>82,539</u>
Total general government	<u>26,899,838</u>	<u>12,054,806</u>	<u>14,845,032</u>
Public Safety:			
Police:			
Administration:			
Salaries	1,551,200	1,551,191	9
Employee benefits	332,290	332,284	6
Operating expenses	302,896	282,041	20,855
Total	<u>2,186,386</u>	<u>2,165,516</u>	<u>20,870</u>
Support Services:			
Salaries	2,848,080	2,848,078	2
Employee benefits	925,170	924,550	620
Operating expenses	987,977	700,555	287,422
Capital outlay	187,648	187,648	-
Total	<u>4,948,875</u>	<u>4,660,831</u>	<u>288,044</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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Public Safety (Continued):			
Special Operations:			
Salaries	\$ 1,824,750	\$ 1,824,742	\$ 8
Employee benefits	636,340	636,331	9
Operating expenses	483,342	369,348	113,994
Capital outlay	181,526	178,778	2,748
Total	<u>3,125,958</u>	<u>3,009,199</u>	<u>116,759</u>
Patrol Services:			
Salaries	5,621,490	5,621,482	8
Employee benefits	2,120,130	2,120,127	3
Operating expenses	729,940	638,998	90,942
Capital outlay	431,604	623,499	(191,895)
Total	<u>8,903,164</u>	<u>9,004,106</u>	<u>(100,942)</u>
Investigative Services:			
Salaries	1,305,596	1,305,593	3
Employee benefits	455,280	455,275	5
Operating expenses	205,340	124,384	80,956
Capital outlay	60,000	-	60,000
Total	<u>2,026,216</u>	<u>1,885,252</u>	<u>140,964</u>
Total police	<u>21,190,599</u>	<u>20,724,904</u>	<u>465,695</u>
Fire:			
Administration:			
Salaries	717,590	706,612	10,978
Employee benefits	509,920	509,741	179
Operating expenses	410,316	394,723	15,593
Capital outlay	1,166,418	786,179	380,239
Total	<u>2,804,244</u>	<u>2,397,255</u>	<u>406,989</u>
Operations:			
Salaries	7,804,920	7,804,919	1
Employee benefits	2,599,920	2,599,916	4
Operating expenses	949,235	828,338	120,897
Capital outlay	237,084	176,952	60,132
Total	<u>11,591,159</u>	<u>11,410,125</u>	<u>181,034</u>
Prevention:			
Salaries	452,280	449,274	3,006
Employee benefits	133,810	133,802	8
Operating expenses	14,000	10,906	3,094
Total	<u>600,090</u>	<u>593,982</u>	<u>6,108</u>
Training:			
Salaries	516,810	516,804	6
Employee benefits	158,710	158,708	2
Operating expenses	59,700	55,029	4,671
Total	<u>735,220</u>	<u>730,541</u>	<u>4,679</u>
Total fire	<u>15,730,713</u>	<u>15,131,903</u>	<u>598,810</u>
Total public safety	<u>36,921,312</u>	<u>35,856,807</u>	<u>1,064,505</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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Public Works:			
Administration:			
Salaries	\$ 279,800	\$ 279,580	\$ 220
Employee benefits	88,060	86,224	1,836
Operating expenses	51,320	47,873	3,447
Total	419,180	413,677	5,503
Street and ROW Maintenance:			
Salaries	831,720	831,712	8
Employee benefits	290,930	290,847	83
Operating expenses	1,471,069	1,414,293	56,776
Capital outlay	5,000	-	5,000
Service charges	(631,390)	(631,390)	-
Total	1,967,329	1,905,462	61,867
Environmental Service:			
Salaries	2,342,800	2,342,794	6
Employee benefits	1,079,760	1,079,753	7
Operating expenses	5,585,841	5,387,495	198,346
Capital outlay	124,354	124,353	1
Total	9,132,755	8,934,395	198,360
Fleet Maintenance:			
Salaries	628,150	628,141	9
Employee benefits	209,640	208,075	1,565
Operating expenses	2,849,930	2,716,703	133,227
Capital outlay	2,628,892	2,599,221	29,671
Service charges	(3,722,090)	(3,722,094)	4
Total	2,594,522	2,430,046	164,476
Engineering:			
Administration:			
Salaries	713,660	713,653	7
Employee benefits	224,210	224,205	5
Operating expenses	402,470	87,857	314,613
Utility service fee	(459,800)	(459,800)	-
Total	880,540	565,915	314,625
Traffic:			
Salaries	607,900	607,892	8
Employee benefits	230,370	230,365	5
Operating expenses	528,970	377,250	151,720
Capital outlay	6,198	6,198	-
Utility service fee	(636,000)	(636,000)	-
Total	737,438	585,705	151,733
Street Resurfacing:			
Capital outlay	5,490,896	2,565,967	2,924,929
Total public works	21,222,660	17,401,167	3,821,493

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Parks and Recreation:			
Administration:			
Salaries	\$ 350,650	\$ 350,644	\$ 6
Employee benefits	115,910	115,908	2
Operating expenses	203,964	188,404	15,560
Total	670,524	654,956	15,568
Athletics:			
Salaries	305,010	305,007	3
Employee benefits	93,749	93,741	8
Operating expenses	238,015	237,223	792
Capital outlay	2,815	2,815	-
Total	639,589	638,786	803
Cultural Arts:			
Salaries	350,180	350,176	4
Employee benefits	98,640	96,637	2,003
Operating expenses	135,430	116,239	19,191
Capital outlay	5,000	-	5,000
Total	589,250	563,052	26,198
Amusements and Special Events:			
Salaries	54,890	54,882	8
Employee benefits	21,840	21,838	2
Operating expenses	452,360	433,626	18,734
Total	529,090	510,346	18,744
Museum:			
Salaries	245,500	236,352	9,148
Employee benefits	65,960	65,952	8
Operating expenses	145,365	138,695	6,670
Capital outlay	34,510	34,506	4
Total	491,335	475,505	15,830
Parks Maintenance:			
Salaries	957,030	957,030	-
Employee benefits	355,500	355,492	8
Operating expenses	970,826	947,758	23,068
Capital outlay	1,352,968	1,338,712	14,256
Total	3,636,324	3,598,992	37,332
Cemetery Operations:			
Salaries	249,640	266,245	(16,605)
Employee benefits	99,460	97,563	1,897
Operating expenses	476,145	431,180	44,965
Capital outlay	559,163	128,821	430,342
Total	1,384,408	923,809	460,599
Outdoor Programs:			
Salaries	238,660	238,658	2
Employee benefits	44,290	44,284	6
Operating expenses	25,270	22,242	3,028
Total	308,220	305,184	3,036

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Parks and Recreation (Continued):			
Neighborhood Programs:			
Salaries	\$ 823,480	\$ 823,479	\$ 1
Employee benefits	123,900	123,895	5
Operating expenses	564,264	537,245	27,019
Capital outlay	10,500	9,437	1,063
Total	1,522,144	1,494,056	28,088
Senior Programs:			
Salaries	299,100	298,937	163
Employee benefits	85,770	85,762	8
Operating expenses	214,000	202,795	11,205
Capital outlay	1,691,707	1,601,435	90,272
Total	2,290,577	2,188,929	101,648
Sports Complex:			
Salaries	478,810	478,806	4
Employee benefits	125,940	125,938	2
Operating expenses	380,381	360,988	19,393
Capital outlay	194,580	194,578	2
Total	1,179,711	1,160,310	19,401
Imperial Centre:			
Salaries	234,280	234,273	7
Employee benefits	51,630	51,627	3
Operating expenses	483,876	469,965	13,911
Capital outlay	3,500	2,853	647
Total	773,286	758,718	14,568
Event Center:			
Operating expenses - contract	2,714,410	2,717,996	(3,586)
Operating expenses - other	80,000	69,322	10,678
Capital outlay	156,942	65,112	91,830
Total	2,951,352	2,852,430	98,922
Total parks and recreation	16,965,810	16,125,073	840,737
Public Service:			
Capital outlay	4,234,295	765,003	3,469,292
Debt Service:			
Principal	5,050,000	5,426,134	(376,134)
Interest	1,717,450	1,329,994	387,456
Total debt service expenditures	6,767,450	6,756,128	11,322
Total expenditures	113,011,365	88,958,984	24,052,381
Deficiency of revenues under expenditures	(38,684,577)	(13,944,167)	24,740,410

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, 2023**

	2023		Variance Positive (Negative)
	Final Budget	Actual	
Other Financing Sources (Uses):			
Transfers to other funds	\$ (1,305,819)	\$ (1,205,810)	\$ 100,009
Transfers from other funds	13,250,000	13,250,000	-
SBITA liabilities issued	-	234,577	234,577
Lease liabilities issued	448,617	449,047	430
Installment purchase financing issued	7,095,323	5,708,000	(1,387,323)
Total other financing sources (uses):	<u>19,488,121</u>	<u>18,435,814</u>	<u>(1,052,307)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(19,196,456)	4,491,647	23,688,103
Fund balance appropriated	<u>19,196,456</u>	-	<u>(19,196,456)</u>
Net change in fund balance	<u>\$ -</u>	4,491,647	<u>\$ 4,491,647</u>
Fund Balance:			
Beginning of year, restated		<u>59,146,800</u>	
End of year		<u>\$ 63,638,447</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - PUBLIC FACILITIES CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive/ (Negative)</u>
Revenues:					
Contributions	\$ -	\$ 9,000	\$ -	\$ 9,000	\$ 9,000
Miscellaneous	1,473,632	1,074,232	210,519	1,284,751	(188,881)
Total revenues	<u>1,473,632</u>	<u>1,083,232</u>	<u>210,519</u>	<u>1,293,751</u>	<u>(179,881)</u>
Expenditures:					
Debt service:					
Interest	1,473,632	1,074,232	210,519	1,284,751	188,881
Total expenditures	<u>1,473,632</u>	<u>1,074,232</u>	<u>210,519</u>	<u>1,284,751</u>	<u>188,881</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,000</u>	-	<u>\$ 9,000</u>	<u>\$ 9,000</u>
Fund Balance:					
Beginning of year			<u>9,000</u>		
End of year			<u>\$ 9,000</u>		

CITY OF ROCKY MOUNT, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - ARPA FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive/ (Negative)</u>
Revenues:					
Intergovernmental	\$ 11,521,180	\$ 1,160,942	\$ 10,000,000	\$ 11,160,942	\$ (360,238)
Investment earnings	-	6,602	16,899	23,501	23,501
Total revenues	<u>11,521,180</u>	<u>1,167,544</u>	<u>10,016,899</u>	<u>11,184,443</u>	<u>(336,737)</u>
Expenditures:					
Salaries	1,160,942	1,160,942	-	1,160,942	-
Operating	360,238	-	-	-	360,238
Total expenditures	<u>1,521,180</u>	<u>1,160,942</u>	<u>-</u>	<u>1,160,942</u>	<u>360,238</u>
Excess of revenues over expenditures	<u>10,000,000</u>	<u>6,602</u>	<u>10,016,899</u>	<u>10,023,501</u>	<u>23,501</u>
Other Financing Sources (Uses):					
Transfers from other funds	<u>(10,000,000)</u>	-	<u>(10,000,000)</u>	<u>(10,000,000)</u>	-
Total other financing (uses)	<u>(10,000,000)</u>	-	<u>(10,000,000)</u>	<u>(10,000,000)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,602</u>	16,899	<u>\$ 23,501</u>	<u>\$ 23,501</u>
Fund Balance:					
Beginning of year			<u>6,602</u>		
End of year			<u>\$ 23,501</u>		

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents/investments	\$ 2,265,578	\$ 1,108,571	\$ 3,374,149
Receivables - net:			
Ad valorem taxes	-	4,825	4,825
Other governmental agencies	958,916	414,367	1,373,283
Other	594,280	7,402	601,682
Prepaid items	330,000	-	330,000
Restricted cash and investments	-	80,000	80,000
Total assets	<u>\$ 4,148,774</u>	<u>\$ 1,615,165</u>	<u>\$ 5,763,939</u>
Liabilities:			
Accounts payable and accrued expenditures	\$ 42,252	\$ -	\$ 42,252
Unearned revenue	-	80,000	80,000
Due to other funds	167,301	287,172	454,473
Total liabilities	<u>209,553</u>	<u>367,172</u>	<u>576,725</u>
Deferred Inflows of Resources:			
Taxes receivable	-	4,841	4,841
Total deferred inflows of resources	<u>-</u>	<u>4,841</u>	<u>4,841</u>
Fund Balances:			
Nonspendable:			
Prepaid items	330,000	-	330,000
Restricted:			
Stabilization by state statute	1,553,196	421,769	1,974,965
Public safety	1,098,402	-	1,098,402
Parks and recreation	534,285	-	534,285
Economic development	10,835	-	10,835
Committed:			
Public service	622,056	-	622,056
Future capital projects	-	749,109	749,109
Assigned	-	72,274	72,274
Unassigned	(209,553)	-	(209,553)
Total fund balances	<u>3,939,221</u>	<u>1,243,152</u>	<u>5,182,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,148,774</u>	<u>\$ 1,615,165</u>	<u>\$ 5,763,939</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, 2023**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 4,827,669	\$ 646,617	\$ 5,474,286
Project revenues	2,328,822	-	2,328,822
Investment earnings	43,240	28,721	71,961
Contributions	-	150	150
Miscellaneous	-	-	-
Total revenues	<u>7,199,731</u>	<u>675,488</u>	<u>7,875,219</u>
Expenditures:			
Current:			
General government	-	486,275	486,275
Public safety	139,911	-	139,911
Public service	5,299,016	-	5,299,016
Community revitalization	1,434,413	-	1,434,413
Economic development	178,061	-	178,061
Debt service:			-
Principal	16,316	-	16,316
Interest	134	-	134
Total expenditures	<u>7,067,851</u>	<u>486,275</u>	<u>7,554,126</u>
Excess of revenues over expenditures	<u>131,880</u>	<u>189,213</u>	<u>321,093</u>
Other Financing Sources (Uses):			
Inception of SBITA agreement	23,531	-	23,531
Transfers to other funds	(250,000)	-	(250,000)
Transfers from other funds	969,431	161,379	1,130,810
Total other financing sources (uses)	<u>742,962</u>	<u>161,379</u>	<u>904,341</u>
Net change in fund balances	874,842	350,592	1,225,434
Fund Balances:			
Beginning of year	<u>3,064,379</u>	<u>892,560</u>	<u>3,956,939</u>
End of year	<u><u>\$ 3,939,221</u></u>	<u><u>\$ 1,243,152</u></u>	<u><u>\$ 5,182,373</u></u>

NONMAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

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

Entitlement Grants Fund

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

Crime/Safety Control Fund

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

Economic Development Fund

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

Emergency Management Fund

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

Emergency Telephone System Fund

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

Occupancy Tax

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Public Transportation Grants	Entitlement Grants	Crime/ Safety Control	Economic Development
Assets:				
Cash and cash equivalents/investments	\$ -	\$ 622,056	\$ 516,139	\$ 10,835
Receivables - net:				
Other governmental agencies	739,517	183,861	35,538	-
Other	470,888	-	-	-
Prepaid items	330,000	-	-	-
Total assets	<u>1,540,405</u>	<u>805,917</u>	<u>551,677</u>	<u>10,835</u>
Liabilities:				
Accounts payable and accrued expenditures	42,252	-	-	-
Due to other funds	167,301	-	-	-
Total liabilities	<u>209,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Prepaid items	330,000	-	-	-
Restricted:				
Stabilization by state statute	1,210,405	183,861	35,538	-
Public safety	-	-	516,139	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	10,835
Committed	-	622,056	-	-
Unassigned	(209,553)	-	-	-
Total fund balance	<u>1,330,852</u>	<u>805,917</u>	<u>551,677</u>	<u>10,835</u>
 Total liabilities and fund balance	<u>\$ 1,540,405</u>	<u>\$ 805,917</u>	<u>\$ 551,677</u>	<u>\$ 10,835</u>

<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	\$ 582,263	\$ 534,285	\$ 2,265,578
-	-	-	958,916
-	-	123,392	594,280
-	-	-	330,000
-	<u>582,263</u>	<u>657,677</u>	<u>4,148,774</u>
-	-	-	42,252
-	-	-	167,301
-	-	-	209,553
-	-	-	330,000
-	-	123,392	1,553,196
-	582,263	-	1,098,402
-	-	534,285	534,285
-	-	-	10,835
-	-	-	622,056
-	-	-	(209,553)
-	<u>582,263</u>	<u>657,677</u>	<u>3,939,221</u>
<u>\$ -</u>	<u>\$ 582,263</u>	<u>\$ 657,677</u>	<u>\$ 4,148,774</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, 2023**

	Public Transportation Grants	Entitlement Grants	Crime/ Safety Control	Economic Development
Revenues:				
Intergovernmental	\$ 2,751,670	\$ 1,111,434	\$ 324,837	\$ 178,061
Project revenues	2,162,061	166,761	-	-
Investment earnings	-	1,851	269	339
Total revenues	4,913,731	1,280,046	325,106	178,400
Expenditures:				
Public safety	-	-	139,911	-
Public service	5,188,471	-	-	-
Community revitalization	-	1,434,413	-	-
Economic development	-	-	-	178,061
Debt service:				
Principal	8,050	-	-	-
Interest	-	-	-	-
Total expenditures	5,196,521	1,434,413	139,911	178,061
Excess (deficiency) of revenues over (under) expenditures	(282,790)	(154,367)	185,195	339
Other Financing Sources (Uses):				
Inception of SBITA agreement	23,531	-	-	-
Transfers to other funds	-	-	-	-
Transfers from other funds	358,511	550,000	24,486	-
Total other financing sources (uses)	382,042	550,000	24,486	-
Net change in fund balances	99,252	395,633	209,681	339
Fund Balances:				
Beginning of year	1,231,600	410,284	341,996	10,496
End of year	\$ 1,330,852	\$ 805,917	\$ 551,677	\$ 10,835

Emergency Management	Emergency Telephone System	Occupancy Tax	Total
\$ -	\$ -	\$ 461,667	\$ 4,827,669
-	-	-	2,328,822
-	16,915	23,866	43,240
-	16,915	485,533	7,199,731
-	-	-	139,911
-	110,545	-	5,299,016
-	-	-	1,434,413
-	-	-	178,061
-	8,266	-	16,316
-	134	-	134
-	118,945	-	7,067,851
-	(102,030)	485,533	131,880
-	-	-	23,531
-	-	(250,000)	(250,000)
-	36,434	-	969,431
-	36,434	(250,000)	742,962
-	(65,596)	235,533	874,842
-	647,859	422,144	3,064,379
\$ -	\$ 582,263	\$ 657,677	\$ 3,939,221

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - PUBLIC TRANSPORTATION GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual			Total	Variance Positive/ (Negative)
		Prior Years	Current Year	Closed Projects		
Revenues:						
Intergovernmental	\$ 15,457,408	\$ 15,311,778	\$ 2,751,670	\$ (7,176,646)	\$ 10,886,802	\$ (4,570,606)
Project revenues	10,249,744	11,659,322	2,162,061	(5,387,318)	8,434,065	(1,815,679)
Miscellaneous	130,400	66,210	-	(9,711)	56,499	(73,901)
Total revenues	<u>25,837,552</u>	<u>27,037,310</u>	<u>4,913,731</u>	<u>(12,573,675)</u>	<u>19,377,366</u>	<u>(6,460,186)</u>
Expenditures:						
Public Service:						
Operating	24,676,200	22,590,994	5,101,078	(9,313,741)	18,378,331	6,297,869
Capital outlay	2,307,246	5,967,550	87,393	(4,512,508)	1,542,435	764,811
Debt Service Principal	8,050	-	8,050	-	8,050	-
Total expenditures	<u>26,991,496</u>	<u>28,558,544</u>	<u>5,196,521</u>	<u>(13,826,249)</u>	<u>19,928,816</u>	<u>7,062,680</u>
Revenues over (under) expenditures	<u>(1,153,944)</u>	<u>(1,521,234)</u>	<u>(282,790)</u>	<u>(1,252,574)</u>	<u>(551,450)</u>	<u>602,494</u>
Other Financing Sources (Uses):						
Transfers from other funds	1,153,944	1,223,962	358,511	669,485	2,251,958	1,098,014
Transfers to other funds	(25,000)	(25,000)	-	-	(25,000)	-
Inception of SBITA agreement	-	-	23,531	-	23,531	23,531
Fund balance appropriated	25,000	-	-	-	-	(25,000)
Total other financing sources (uses)	<u>1,153,944</u>	<u>1,198,962</u>	<u>382,042</u>	<u>669,485</u>	<u>2,250,489</u>	<u>1,096,545</u>
Adjustment for closed projects	<u>-</u>	<u>1,553,872</u>		<u>-</u>	<u>1,553,872</u>	<u>1,553,872</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,231,600</u>	99,252	<u>\$ (583,089)</u>	<u>\$ 3,252,911</u>	<u>\$ 3,252,911</u>
Fund Balance:						
Beginning of year			1,231,600			
End of year			<u>\$ 1,330,852</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, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive/ (Negative)</u>
Revenues:					
Intergovernmental	\$ 16,672,938	\$ 11,008,283	\$ 1,111,434	\$ 12,119,717	\$ (4,553,221)
Project revenues	1,944,173	2,159,450	166,761	2,326,211	382,038
Investment earnings	-	1,664	1,851	3,515	3,515
Miscellaneous	5,462	17,843	-	17,843	12,381
Total revenues	<u>18,622,573</u>	<u>13,187,240</u>	<u>1,280,046</u>	<u>14,467,286</u>	<u>(4,155,287)</u>
Expenditures:					
Community revitalization program:					
Operating	19,945,117	13,598,288	1,341,472	14,939,760	5,005,357
Capital outlay	5,100	-	-	-	5,100
Debt service:					
Principal	826,990	760,000	72,500	832,500	(5,510)
Interest	320,366	293,668	20,441	314,109	6,257
Total expenditures	<u>21,097,573</u>	<u>14,651,956</u>	<u>1,434,413</u>	<u>16,086,369</u>	<u>5,011,204</u>
Revenues over (under) expenditures	<u>(2,475,000)</u>	<u>(1,464,716)</u>	<u>(154,367)</u>	<u>(1,619,083)</u>	<u>855,917</u>
Other Financing Sources (Uses):					
Transfers from other funds	<u>2,475,000</u>	<u>1,875,000</u>	<u>550,000</u>	<u>2,425,000</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>2,475,000</u>	<u>1,875,000</u>	<u>550,000</u>	<u>2,425,000</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 410,284</u>	<u>395,633</u>	<u>\$ 805,917</u>	<u>\$ 805,917</u>
Fund Balance:					
Beginning of year			<u>410,284</u>		
End of year			<u>\$ 805,917</u>		

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - CRIME/SAFETY CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive/ (Negative)</u>
Revenues:					
Intergovernmental	\$ 795,088	\$ 875,685	\$ 324,837	\$ 1,200,522	\$ 405,434
Investment Earnings	-	-	269	269	269
Total revenues	<u>795,088</u>	<u>875,685</u>	<u>325,106</u>	<u>1,200,791</u>	<u>405,703</u>
Expenditures:					
Public Safety:					
Operating	416,150	176,671	72,171	248,842	167,308
Capital outlay	426,700	428,540	67,740	496,280	(69,580)
Total expenditures	<u>842,850</u>	<u>605,211</u>	<u>139,911</u>	<u>745,122</u>	<u>97,728</u>
Revenues over (under) expenditures	<u>(47,762)</u>	<u>270,474</u>	<u>185,195</u>	<u>455,669</u>	<u>503,431</u>
Other Financing Sources (Uses):					
Transfers from other funds	<u>47,762</u>	<u>70,728</u>	<u>24,486</u>	<u>95,214</u>	<u>47,452</u>
Adjustment for closed projects	-	794	-	794	794
Net change in fund balance	<u>\$ -</u>	<u>\$ 341,996</u>	<u>209,681</u>	<u>\$ 551,677</u>	<u>\$ 551,677</u>
Fund Balance:					
Beginning of year			<u>341,996</u>		
End of year			<u>\$ 551,677</u>		

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Prior Years	Actual		Variance Positive/ (Negative)
			Current Year	Total	
Revenues:					
Intergovernmental	\$ 1,380,000	\$ 1,280,447	\$ 178,061	\$ 1,458,508	\$ 78,508
Investment earnings	-	10,496	339	10,835	10,835
Total revenues	<u>1,380,000</u>	<u>1,290,943</u>	<u>178,400</u>	<u>1,469,343</u>	<u>89,343</u>
Expenditures:					
Economic Development:					
Operating	1,380,000	1,280,447	178,061	1,458,508	(78,508)
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,380,000</u>	<u>1,280,447</u>	<u>178,061</u>	<u>1,458,508</u>	<u>(78,508)</u>
Revenues over (under) expenditures	-	10,496	339	10,835	10,835
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,496</u>	<u>339</u>	<u>\$ 10,835</u>	<u>\$ 10,835</u>
Fund Balance:					
Beginning of year			<u>10,496</u>		
End of year			<u>\$ 10,835</u>		

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - EMERGENCY MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Prior Years	Actual		Variance Positive/ (Negative)
			Current Year	Total	
Revenues:					
Intergovernmental	\$ 793,141	\$ 793,141	\$ -	\$ 793,141	\$ -
Total revenues	<u>793,141</u>	<u>793,141</u>	<u>-</u>	<u>793,141</u>	<u>-</u>
Expenditures:					
Emergency Management:					
Operating	793,141	793,141	-	793,141	\$ -
Total expenditures	<u>793,141</u>	<u>793,141</u>	<u>-</u>	<u>793,141</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year			<u>-</u>		
End of year			<u>\$ -</u>		

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
Investment earnings	\$ -	\$ 16,915	\$ 16,915
Total revenues	<u>-</u>	<u>16,915</u>	<u>16,915</u>
Expenditures:			
Public service:			
Telephone	216,590	33,536	183,054
Software maintenance	-	62,342	(62,342)
Hardware maintenance	-	11,752	(11,752)
Training	-	2,915	(2,915)
Capital outlay	184,820	-	184,820
Debt service:			
Principal	8,276	8,266	10
Interest	134	134	-
Total expenditures	<u>409,820</u>	<u>118,945</u>	<u>290,875</u>
Revenues over (under) expenditures	<u>(409,820)</u>	<u>(102,030)</u>	<u>307,790</u>
Other Financing Sources (Uses):			
Transfers from other funds	36,434	36,434	-
Fund balance appropriated	373,386	-	373,386
Total other financing sources (uses)	<u>409,820</u>	<u>36,434</u>	<u>373,386</u>
Net change in fund balance	<u>\$ -</u>	<u>(65,596)</u>	<u>\$ (65,596)</u>
Fund Balances:			
Beginning of year		<u>647,859</u>	
End of year		<u>\$ 582,263</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUND - OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive/ (Negative)</u>
Revenues:					
Intergovernmental	\$ 9,525,000	\$ 9,589,226	\$ 461,667	\$ 10,050,893	\$ 525,893
Investment earnings	35,000	91,925	23,866	115,791	80,791
Total revenues	<u>9,560,000</u>	<u>9,681,151</u>	<u>485,533</u>	<u>10,166,684</u>	<u>606,684</u>
Other Financing Sources (Uses):					
Transfers to other funds	<u>(9,560,000)</u>	<u>(9,259,007)</u>	<u>(250,000)</u>	<u>(9,509,007)</u>	<u>50,993</u>
Total other financing sources (uses)	<u>(9,560,000)</u>	<u>(9,259,007)</u>	<u>(250,000)</u>	<u>(9,509,007)</u>	<u>50,993</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 422,144</u>	235,533	<u>\$ 657,677</u>	<u>\$ 657,677</u>
Fund Balance:					
Beginning of year			<u>422,144</u>		
End of year			<u>\$ 657,677</u>		

NONMAJOR CAPITAL PROJECTS FUNDS

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

General Capital Projects Fund

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

General Capital Development Fund

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
BALANCE SHEET
JUNE 30, 2023**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 359,462	\$ 749,109	\$ 1,108,571
Receivables - net:			
Ad valorem taxes	4,825	-	4,825
Other governmental agencies	-	414,367	414,367
Other	-	7,402	7,402
Restricted cash and investments	-	80,000	80,000
Total assets	<u>\$ 364,287</u>	<u>\$ 1,250,878</u>	<u>\$ 1,615,165</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Unearned revenues	\$ -	\$ 80,000	\$ 80,000
Due to other funds	287,172	-	287,172
Total liabilities	<u>287,172</u>	<u>80,000</u>	<u>367,172</u>
Deferred Inflows of Resources:			
Taxes receivable	4,841	-	4,841
Total deferred inflows of resources	<u>4,841</u>	<u>-</u>	<u>4,841</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	-	421,769	421,769
Committed			
	-	749,109	749,109
Assigned			
	72,274	-	72,274
Total fund balance	<u>72,274</u>	<u>1,170,878</u>	<u>1,243,152</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 364,287</u>	<u>\$ 1,250,878</u>	<u>\$ 1,615,165</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, 2023**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
Intergovernmental	\$ -	\$ 646,617	\$ 646,617
Investment earnings	-	28,721	28,721
Contributions	-	150	150
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>675,488</u>	<u>675,488</u>
Expenditures:			
Current:			
General government	<u>-</u>	<u>486,275</u>	<u>486,275</u>
Revenues over (under) expenditures	<u>-</u>	<u>189,213</u>	<u>189,213</u>
Other Financing Sources (Uses):			
Transfers from other funds	<u>-</u>	<u>161,379</u>	<u>161,379</u>
Total other financing sources (uses)	<u>-</u>	<u>161,379</u>	<u>161,379</u>
Net change in fund balances	-	350,592	350,592
Fund Balances:			
Beginning of year	<u>72,274</u>	<u>820,286</u>	<u>892,560</u>
End of year	<u>\$ 72,274</u>	<u>\$ 1,170,878</u>	<u>\$ 1,243,152</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**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, 2023**

	Project Authorization	Actual			Total	Variance Positive/ (Negative)
		Prior Years	Current Year	Closed Projects		
Revenues:						
Intergovernmental	\$ 2,977,894	\$ 7,094,974	\$ 646,617	\$ (4,845,384)	\$ 2,896,207	\$ (81,687)
Investment earnings	403,081	466,689	28,721	-	495,410	92,329
Contributions	5,684,869	5,063,906	150	(6,600)	5,057,456	(627,413)
Total revenues	<u>9,065,844</u>	<u>12,625,569</u>	<u>675,488</u>	<u>(4,851,984)</u>	<u>8,449,073</u>	<u>(616,771)</u>
Expenditures:						
Capital projects:						
Development projects	38,779,040	44,293,829	486,275	(8,984,134)	35,795,970	2,983,070
Total expenditures	<u>38,779,040</u>	<u>44,293,829</u>	<u>486,275</u>	<u>(8,984,134)</u>	<u>35,795,970</u>	<u>2,983,070</u>
Revenues over (under) expenditures	<u>(29,713,196)</u>	<u>(31,668,260)</u>	<u>189,213</u>	<u>4,132,150</u>	<u>(27,346,897)</u>	<u>2,366,299</u>
Other Financing Sources (Uses):						
Transfers to other funds	(18,555,557)	(18,555,557)	-	-	(18,555,557)	-
Transfers from other funds	4,968,238	7,951,616	161,379	(4,132,150)	3,980,845	(987,393)
Unamortized bond premium/discount	-	3,477,487	-	-	3,477,487	3,477,487
Debt financing issued	43,300,515	39,615,000	-	-	39,615,000	(3,685,515)
Total other financing sources (uses)	<u>29,713,196</u>	<u>32,488,546</u>	<u>161,379</u>	<u>(4,132,150)</u>	<u>28,517,775</u>	<u>(1,195,421)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 820,286</u>	<u>350,592</u>	<u>-</u>	<u>\$ 1,170,878</u>	<u>\$ 1,170,878</u>
Fund Balance:						
Beginning of year			<u>820,286</u>			
End of year			<u>\$ 1,170,878</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.

Water Capital Projects Fund

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

Sewer Capital Projects Fund

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUNDS - ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
User charges	\$ 75,750,000	\$ 72,871,475	\$ (2,878,525)
Other operating revenue	946,100	496,206	(449,894)
Other nonoperating revenue	100,600	132,150	31,550
Investment earnings	25,000	1,214,293	1,189,293
Total revenues	<u>76,821,700</u>	<u>74,714,124</u>	<u>(2,107,576)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	2,959,220	2,934,779	24,441
Employee benefits	2,065,620	2,065,618	2
Electric power purchase	51,316,644	51,099,920	216,724
Operating expense	12,789,600	11,773,542	1,016,058
Engineering:			
Salaries	794,110	788,351	5,759
Employee benefits	272,220	258,447	13,773
Operating expense	429,322	310,874	118,448
Energy services:			
Salaries	785,001	779,997	5,004
Employee benefits	224,310	220,882	3,428
Operating expense	1,461,517	1,053,199	408,318
Capital outlay	110,349	96,355	13,994
Budgetary appropriations:			
Capital outlay	11,454,493	6,052,940	5,401,553
Debt service expenditures	1,491,044	1,489,529	1,515
Total expenditures and budgetary appropriations	<u>86,153,450</u>	<u>78,924,433</u>	<u>7,229,017</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(9,331,750)</u>	<u>(4,210,309)</u>	<u>5,121,441</u>
Other Financing Sources (Uses):			
Transfers to other funds	(2,600,001)	(2,600,000)	1
Issuance of lease	38,740	39,048	308
Issuance of installment purchases	4,124,260	2,250,000	(1,874,260)
Fund balance appropriated	7,768,751	-	(7,768,751)
Total other financing sources (uses)	<u>9,331,750</u>	<u>(310,952)</u>	<u>(9,642,702)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>(4,521,261)</u>	<u>\$ (4,521,261)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		(2,310,109)	
Depreciation and amortization		2,266,620	
Capitalized capital outlay		(2,289,048)	
Debt issued		1,409,621	
Debt principal		(28,911)	
(Increase) decrease in compensated absences		1,014,032	
(Increase) decrease in deferred inflows of resources - pension		578,436	
Increase (decrease) in deferred outflows of resources - pension		(1,793,926)	
(Increase) decrease in net pension liability		(371,385)	
(Increase) decrease in deferred inflows of resources - OPEB		(182,370)	
Increase (decrease) in deferred outflows of resources - OPEB		454,555	
(Increase) decrease in total OPEB liability		<u>454,555</u>	
Change in net position		<u>\$ (5,773,746)</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, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
User charges	\$ 29,514,916	\$ 27,779,573	\$ (1,735,343)
Other operating revenue	425,000	318,456	(106,544)
Other nonoperating revenue	-	-	-
Investment earnings	75,000	408,295	333,295
Total revenues	<u>30,014,916</u>	<u>28,506,324</u>	<u>(1,508,592)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	1,404,630	1,382,657	21,973
Employee benefits	1,668,630	1,607,292	61,338
Natural gas purchases	18,439,625	18,132,752	306,873
Operating expense	9,021,956	8,468,952	553,004
Budgetary appropriations:			
Capital outlay	1,911,823	1,106,257	805,566
Debt services expenditures	604,166	318,814	285,352
Appropriation to school system	250,000	-	250,000
Total expenditures and budgetary appropriations	<u>33,300,830</u>	<u>31,016,724</u>	<u>2,284,106</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,285,914)</u>	<u>(2,510,400)</u>	<u>775,514</u>
Other Financing Sources (Uses):			
Transfers to other funds	(400,000)	(400,000)	-
Proceeds from inventory sale	-	(272)	-
Issuance of lease	60,084	61,109	1,025
Fund balance appropriated	3,625,830	-	(3,625,830)
Total other financing sources (uses)	<u>3,285,914</u>	<u>(339,163)</u>	<u>(3,624,805)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>(2,849,563)</u>	<u>\$ (2,849,291)</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			
Depreciation		(545,503)	
Capitalized capital outlay		328,822	
Debt principal		307,490	
Debt issued		(61,109)	
Gain (loss) on retirement/transfer of assets		22,027	
(Increase) decrease in compensated absences		7,113	
(Increase) decrease in deferred inflows of resources - pension		394,346	
Increase (decrease) in deferred outflows of resources - pension		224,947	
(Increase) decrease in net pension liability		(697,637)	
(Increase) decrease in deferred inflows of resources - OPEB		(122,228)	
Increase (decrease) in deferred outflows of resources - OPEB		(60,020)	
(Increase) decrease in total OPEB liability		149,601	
Change in net position		<u>\$ (2,901,714)</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, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
User charges	\$ 11,825,000	\$ 12,047,259	\$ 222,259
Licenses and permits	115,495	47,875	(67,620)
Other operating revenue	313,360	77,396	(235,964)
Other nonoperating revenue	150,000	24,879	(125,121)
Investment earnings	5,000	356,004	351,004
Total revenues	<u>12,408,855</u>	<u>12,553,413</u>	<u>144,558</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,756,045	1,773,635	(17,590)
Employee benefits	1,271,401	1,267,411	3,990
Operating expense	5,548,673	4,789,564	759,109
Water services:			
Salaries	792,490	800,343	(7,853)
Employee benefits	308,290	283,109	25,181
Operating expense	2,688,710	2,543,502	145,208
Budgetary appropriations:			
Capital outlay	3,695,880	989,017	2,706,863
Debt services expenditures	210,662	208,253	2,409
Total expenditures and budgetary appropriations	<u>16,272,151</u>	<u>12,654,834</u>	<u>3,617,317</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,863,296)</u>	<u>(101,421)</u>	<u>3,761,875</u>
Other Financing Sources (Uses):			
Issuance of lease	34,505	34,579	74
Inception of subscription-based information technology agreement	-	12,741	12,741
Fund balance appropriated	3,828,791	-	(3,828,791)
Total other financing sources (uses)	<u>3,863,296</u>	<u>47,320</u>	<u>(3,815,976)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>(54,101)</u>	<u>\$ (54,101)</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		(1,245,039)	
Depreciation and amortization		207,356	
Capitalized capital outlay		(25,876)	
Gain (loss) on retirement/transfer of assets		(47,320)	
Debt issued		207,541	
Debt principal		28,849	
(Increase) decrease in compensated absences		732,357	
(Increase) decrease in deferred inflows of resources - pension		417,759	
Increase (decrease) in deferred outflows of resources - pension		(1,295,613)	
(Increase) decrease in net pension liability		(110,808)	
(Increase) decrease in deferred inflows of resources - OPEB		(225,612)	
Increase (decrease) in deferred outflows of resources - OPEB		276,186	
(Increase) decrease in total OPEB liability		<u>\$ (1,134,321)</u>	
Change in net position			

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUNDS - CAPITAL PROJECTS WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures and Budgetary Appropriations:			
Capital outlay	\$ 791,000	\$ 1,404	\$ 789,596
Total expenditures and budgetary appropriations	<u>791,000</u>	<u>1,404</u>	<u>789,596</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(791,000)</u>	<u>(1,404)</u>	<u>789,596</u>
Other Financing Sources (Uses):			
Fund balance appropriated	791,000	-	(791,000)
Total other financing sources (uses)	<u>791,000</u>	<u>-</u>	<u>(791,000)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (1,404)</u>	<u>\$ (1,404)</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, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
User charges	\$ 14,350,000	\$ 12,850,644	\$ (1,499,356)
Licenses and permits	132,000	34,220	(97,780)
Other operating revenue	1,761,000	1,183,108	(577,892)
Investment earnings	5,000	73,980	68,980
Total revenues	<u>16,248,000</u>	<u>14,141,952</u>	<u>(2,106,048)</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,199,570	1,209,945	(10,375.00)
Employee benefits	1,024,310	1,023,560	750
Operating expense	7,466,083	6,668,572	797,511
Sewer services:			
Salaries	655,460	576,498	78,962
Employee benefits	240,632	195,179	45,453
Operating expense	4,155,300	3,638,834	516,466
Budgetary appropriations:			
Capital outlay	4,255,721	1,393,204	2,862,517
Debt services expenditures	1,080,129	1,067,735	12,394
Total expenditures and budgetary appropriations	<u>20,077,205</u>	<u>15,773,527</u>	<u>4,303,678</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,829,205)</u>	<u>(1,631,575)</u>	<u>2,197,630</u>
Other Financing Sources (Uses):			
Issuance of lease	1,242	1,242	-
Installment purchase financing issued	1,533,758	179,000	(1,354,758)
Fund balance appropriated	2,294,205	-	(2,294,205)
Total other financing sources (uses)	<u>3,829,205</u>	<u>180,242</u>	<u>(3,648,963)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>(1,451,333)</u>	<u>\$ (1,451,333)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation		(2,158,400)	
Debt principal		972,349	
Capitalized capital outlay		977,706	
Debt issued		(180,242)	
(Increase) decrease in compensated absences		15,309	
(Increase) decrease in deferred inflows of resources - pension		436,597	
Increase (decrease) in deferred outflows of resources - pension		249,048	
(Increase) decrease in net pension liability		(772,385)	
(Increase) decrease in deferred inflows of resources - OPEB		(164,538)	
Increase (decrease) in deferred outflows of resources - OPEB		(80,797)	
(Increase) decrease in total OPEB liability		201,384	
Change in net position		<u>\$ (1,955,302)</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUNDS - CAPITAL PROJECTS SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures and Budgetary Appropriations:			
Capital outlay	\$ 980,000	\$ 500	\$ 979,500
Total expenditures and budgetary appropriations	<u>980,000</u>	<u>500</u>	<u>979,500</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(980,000)</u>	<u>(500)</u>	<u>979,500</u>
Other Financing Sources (Uses):			
Transfers from other funds	271,000	-	(271,000)
Fund balance appropriated	709,000	-	(709,000)
Total other financing sources (uses)	<u>980,000</u>	<u>-</u>	<u>(980,000)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (500)</u>	<u>\$ (500)</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, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
User charges	\$ 4,130,000	\$ 4,157,480	\$ 27,480
Other operating revenue	82,000	22,721	(59,279)
Investment earnings	10,000	189,960	179,960
Total revenues	<u>4,222,000</u>	<u>4,370,161</u>	<u>148,161</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	130,060	131,666	(1,606)
Employee benefits	70,920	42,544	28,376
Operating expense	1,128,300	988,884	139,416
Stormwater operations:			
Salaries	1,297,870	1,300,897	(3,027)
Employee benefits	859,730	751,123	108,607
Operating expense	620,660	503,718	116,942
Budgetary appropriations:			
Capital outlay	2,184,614	1,340,827	843,787
Debt services expenditures	221,660	221,659	1
Total expenditures and budgetary appropriations	<u>6,513,814</u>	<u>5,281,318</u>	<u>1,232,496</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,291,814)</u>	<u>(911,157)</u>	<u>1,380,657</u>
Other Financing Sources (Uses):			
Transfers from other funds	75,000	75,000	-
Inception of lease	273,000	116,000	(157,000)
Fund balance appropriated	1,943,814	-	(1,943,814)
Total other financing sources (uses)	<u>2,291,814</u>	<u>191,000</u>	<u>(2,100,814)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>(720,157)</u>	<u>\$ (720,157)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation		(333,357)	
Capitalized capital outlay		1,060,258	
Debt issued		(116,000)	
Debt principal		213,063	
(Increase) decrease in compensated absences		24,940	
(Increase) decrease in deferred inflows of resources - pension		380,262	
Increase (decrease) in deferred outflows of resources - pension		216,913	
Increase (decrease) in net pension liability		(672,723)	
(Increase) decrease in deferred inflows of resources - OPEB		(131,630)	
Increase (decrease) in deferred outflows of resources - OPEB		(64,638)	
Increase (decrease) in net OPEB liability		161,108	
Change in net position		<u>\$ 18,039</u>	

INTERNAL SERVICE FUNDS

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

Risk Management Fund

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

Communications Fund

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023**

	Risk Management	Communications	Total Internal Service Funds
Assets:			
Current Assets:			
Cash and investments	\$ 641,927	\$ 885,973	\$ 1,527,900
Other	31,873	-	31,873
Total current assets	673,800	885,973	1,559,773
Noncurrent Assets:			
Capital assets, depreciable, net of accumulated depreciation and amortization	-	1,730,517	1,730,517
Total noncurrent assets	-	1,730,517	1,730,517
Total assets	673,800	2,616,490	3,290,290
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	-	42,232	42,232
Current portion of long term liability	-	144,083	144,083
Total current liabilities	-	186,315	186,315
Noncurrent Liabilities:			
Noncurrent portion of long term liability	-	135,943	135,943
Total noncurrent liabilities	-	135,943	135,943
Total liabilities	-	322,258	322,258
Net Position:			
Net investment in capital assets	-	1,450,491	1,450,491
Unrestricted	673,800	843,741	1,517,541
Total net position	\$ 673,800	\$ 2,294,232	\$ 2,968,032

CITY OF ROCKY MOUNT, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Insurance premiums	\$ 14,583,803	\$ -	\$ 14,583,803
User charges	-	1,418,789	1,418,789
Total operating revenues	<u>14,583,803</u>	<u>1,418,789</u>	<u>16,002,592</u>
Operating Expenses:			
Current:			
Insurance claims	11,562,652	-	11,562,652
Cost of service and administration	2,890,891	-	2,890,891
Communications	-	1,263,672	1,263,672
Depreciation and amortization	-	390,819	390,819
Total operating expenses	<u>14,453,543</u>	<u>1,654,491</u>	<u>16,108,034</u>
Operating income (loss)	130,260	(235,702)	(105,442)
Nonoperating Revenues (Expenses)			
Interest expense	-	(12,854)	(12,854)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(12,854)</u>	<u>(12,854)</u>
Change in net position	130,260	(248,556)	(118,296)
Net Position:			
Beginning of year, restated	<u>543,540</u>	<u>2,542,788</u>	<u>3,086,328</u>
End of year	<u>\$ 673,800</u>	<u>\$ 2,294,232</u>	<u>\$ 2,968,032</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Risk Management	Communications	Total Internal Service Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 14,583,715	\$ 1,418,789	\$ 16,002,504
Payments to suppliers for goods and services	(14,472,697)	(1,071,092)	(15,543,789)
Payments to or on behalf of employees	-	(166,851)	(166,851)
Net cash provided by operating activities	<u>111,018</u>	<u>180,846</u>	<u>291,864</u>
Cash Flows From Capital and Related Financing Activities:			
Principal payments on long-term debt	-	(140,033)	(140,033)
Interest paid on long-term debt	-	(12,854)	(12,854)
Net cash used by capital and related financing activities	<u>-</u>	<u>(152,887)</u>	<u>(152,887)</u>
Net increase in cash and cash equivalents	111,018	27,959	138,977
Cash and Cash Equivalents/Investments:			
Beginning of year	<u>530,909</u>	<u>858,014</u>	<u>1,388,923</u>
End of year	<u><u>\$ 641,927</u></u>	<u><u>\$ 885,973</u></u>	<u><u>\$ 1,527,900</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 130,260	\$ (235,702)	\$ (105,442)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and amortization	-	390,819	390,819
Change in Assets and Liabilities:			
Decrease in receivables and assessments	(88)	-	(88)
Increase in accounts payable and accrued expenses	-	25,729	25,729
Decrease in accrued compensated absences and other accrued liabilities	<u>(19,154)</u>	<u>-</u>	<u>(19,154)</u>
Net cash provided by operating activities	<u><u>\$ 111,018</u></u>	<u><u>\$ 180,846</u></u>	<u><u>\$ 291,864</u></u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**INTERNAL SERVICE FUND - RISK MANAGEMENT
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Insurance premiums	<u>\$ 14,830,000</u>	<u>\$ 14,583,803</u>	<u>\$ (246,197)</u>
Expenditures:			
Insurance claims	14,480,000	11,562,652	2,917,348
Administrative fees	<u>350,000</u>	<u>2,890,891</u>	<u>(2,540,891)</u>
Total expenditures	<u>14,830,000</u>	<u>14,453,543</u>	<u>376,457</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 130,260</u>	<u>\$ 130,260</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**INTERNAL SERVICE FUND - COMMUNICATIONS
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
User charges	\$ 1,852,310	\$ 1,418,789	\$ (433,521)
Expenditures:			
Salaries and employee benefits	165,050	166,851	(1,801)
Operating expense	1,209,366	944,934	264,432
Capital outlay	522,273	176,617	345,656
Debt service:			
Principal	152,901	140,033	12,868
Interest	-	12,854	(12,854)
Total expenditures	<u>2,049,590</u>	<u>1,441,289</u>	<u>608,301</u>
Revenues over (under) expenditures	(197,280)	(22,500)	174,780
Other Financing Sources (Uses):			
Fund balance appropriated	197,280	-	(197,280)
Issuance of SBITA	-	24,730	24,730
Total other financing sources (uses)	<u>197,280</u>	<u>24,730</u>	<u>(172,550)</u>
Revenues and other financing sources and fund balances appropriated over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	2,230	<u>\$ 2,230</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation and amortization		(390,819)	
Principal payments on long-term debt		140,033	
Change in net position		<u>\$ (248,556)</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, 2023**

<u>Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions and Refunds</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 29,481,476	\$ 28,812,724	\$ 668,752
2021-2022	1,244,796	-	587,890	656,906
2020-2021	904,240	-	285,888	618,352
2019-2020	489,804	-	129,651	360,153
2018-2019	354,354	-	96,390	257,964
2017-2018	307,655	-	77,182	230,473
2016-2017	300,283	-	69,115	231,168
2015-2016	269,475	-	61,301	208,174
2014-2015	246,653	-	48,592	198,061
2013-2014	260,430	-	48,627	211,803
2012-2013	237,251	-	172,237	65,014
2011-2012	62,109	-	49,780	12,329
2010-2011	11,375	-	11,375	-
Total	<u>\$ 4,688,425</u>	<u>\$ 29,481,476</u>	<u>\$ 30,450,752</u>	3,719,149
Allowance for uncollectible ad valorem taxes receivable				<u>(2,634,565)</u>
Ad valorem taxes receivable, net				<u>\$ 1,084,584</u>
Reconciliation with Revenue:				
Taxes				\$ 30,386,463
Penalties and interest				534,739
Total				<u>30,921,202</u>
Ad valorem taxes (excluding penalties and interest):				
Current year				28,919,603
Prior years				1,404,460
Special District				62,400
				<u>30,386,463</u>
Releases and transfers from interest				28,447
Other				35,842
				<u>\$ 30,450,752</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2023**

	Property Valuation	Tax Rate Per \$100 Valuation	Tax Levy	Total Levy	
				Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 2,986,521,901	\$ 0.685	\$ 20,457,681	\$ 20,457,681	\$ -
Personal property	1,191,460,279	0.685	8,161,505	4,773,269	3,388,236
Public service property	112,124,526	0.685	768,053	768,053	-
	<u>4,290,106,706</u>		<u>29,387,239</u>	<u>25,999,003</u>	<u>3,388,236</u>
Discoveries	13,268,003	0.685	90,886	90,886	-
Discoveries	501,486	0.660	3,310	3,310	-
Discoveries	6,870	0.605	41	41	-
Total property valuation	<u>\$ 4,303,883,065</u>				
Net levy			29,481,476	26,093,240	3,388,236
Uncollected taxes at June 30, 2023			<u>668,752</u>	<u>666,541</u>	<u>2,211</u>
Current year's taxes collected			<u>\$ 28,812,724</u>	<u>\$ 25,426,699</u>	<u>\$ 3,386,025</u>
Percent of current year taxes collected			<u>97.73%</u>	<u>97.45%</u>	<u>99.93%</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE BY SOURCE FOR THE YEARS ENDED JUNE 30, 2022 AND 2023

	<u>2023</u>	<u>2022</u>
Governmental Funds Capital Assets:		
Land and land improvements	\$ 34,862,205	\$ 33,199,691
Buildings	78,190,997	75,686,703
Equipment	65,732,459	61,843,147
Infrastructure	65,726,735	65,450,597
Construction in progress	5,280,602	799,358
Right to use lease assets	8,598,306	8,130,013
Subscription assets	667,440	406,332
Total governmental funds capital assets	<u>\$ 259,058,744</u>	<u>\$ 245,515,841</u>
Investment in Governmental Funds Capital Assets by Source:		
General fund	\$ 251,095,346	\$ 237,510,401
Special revenue funds	7,963,398	8,005,440
Total governmental funds capital assets	<u>\$ 259,058,744</u>	<u>\$ 245,515,841</u>

Note: Amounts presented above exclude accumulated depreciation.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2023**

	Land and Land Improvements	Buildings	Equipment	Infrastructure	Construction In Progress	Right to use lease assets	Subscription assets	Totals
General government:								
Mayor and Council	\$ 4,036,528	\$ -	\$ 7,169	\$ -	\$ -	\$ -	\$ -	\$ 4,043,697
City clerk	4,807,238	142,691	37,629	-	-	-	-	4,987,558
City manager	-	-	144,881	-	-	202,783	-	347,664
Finance	-	47,860	1,611,180	-	-	-	-	1,659,040
Business services	-	6,220	292,557	-	-	2,252	-	301,029
Central services	1,922,637	38,532,403	5,554,641	762,487	1,083,276	147,639	-	48,003,083
Human resources	-	5,229	14,132	-	-	17,430	-	36,791
Technology services	-	53,541	3,704,019	-	-	146,716	307,423	4,211,699
Community and Business Development	-	-	-	-	-	34,903	-	34,903
Total general government	10,766,403	38,787,944	11,366,208	762,487	1,083,276	551,723	307,423	63,625,464
Transit	350,534	381,162	7,175,175	-	-	-	23,531	7,930,402
Public safety:								
Police	51,590	515,037	6,229,392	59,863	-	2,613,431	192,251	9,661,564
Fire	59,349	6,248,883	10,227,718	76,250	677,530	30,035	-	17,319,765
Total public safety	110,939	6,763,920	16,457,110	136,113	677,530	2,643,466	192,251	26,981,329
Public works	1,324,020	4,722,606	18,492,760	63,300,947	3,181,996	92,847	-	91,115,176
Planning/inspections	9,580	-	380,775	-	-	-	-	390,355
Parks and recreation	21,244,840	27,437,167	7,267,175	1,415,263	337,800	5,310,270	111,239	63,123,754
Community and business development	1,048,189	-	72,891	-	-	-	-	1,121,080
Internal service fund - communications	7,700	98,198	4,520,365	111,925	-	-	24,730	4,762,918
E-911 fund	-	-	-	-	-	-	8,266	8,266
Total general capital assets	\$ 34,862,205	\$ 78,190,997	\$ 65,732,459	\$ 65,726,735	\$ 5,280,602	\$ 8,598,306	\$ 667,440	\$ 259,058,744

Note: Amounts presented above exclude accumulated depreciation/amortization.

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, 2023**

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
General government:				
Mayor and Council	\$ 3,264,413	\$ 1,076,900	\$ 297,615	\$ 4,043,698
City clerk	4,744,905	242,653	-	4,987,558
City manager	288,810	63,457	3,816	348,451
Finance	1,978,593	-	319,553	1,659,040
Business services	249,358	90,656	41,523	298,491
Central services	45,781,849	2,346,428	125,193	48,003,084
Human resources	36,791	-	-	36,791
Technology services	4,033,457	176,773	-	4,210,230
Community and Business Development	9,883	28,238	-	38,121
Economic development	2,848	-	2,848	-
Total general government	<u>60,390,907</u>	<u>4,025,105</u>	<u>790,548</u>	<u>63,625,464</u>
Transit	<u>7,972,445</u>	<u>23,531</u>	<u>65,574</u>	<u>7,930,402</u>
Public safety:				
Police	9,184,937	1,018,730	542,104	9,661,563
Fire	16,487,434	838,215	5,883	17,319,766
Total public safety	<u>25,672,371</u>	<u>1,856,945</u>	<u>547,987</u>	<u>26,981,329</u>
Public works	<u>85,460,689</u>	<u>6,413,240</u>	<u>758,753</u>	<u>91,115,176</u>
Planning/inspections	<u>325,718</u>	<u>64,637</u>	<u>-</u>	<u>390,355</u>
Parks and recreation	<u>59,738,404</u>	<u>3,616,713</u>	<u>231,363</u>	<u>63,123,754</u>
Community and business development	<u>1,121,080</u>	<u>-</u>	<u>-</u>	<u>1,121,080</u>
Internal service fund - communications	<u>4,825,961</u>	<u>-</u>	<u>63,043</u>	<u>4,762,918</u>
E-911 fund	<u>8,266</u>	<u>-</u>	<u>-</u>	<u>8,266</u>
Total general capital assets	<u>\$ 245,515,841</u>	<u>\$ 16,000,171</u>	<u>\$ 2,457,268</u>	<u>\$ 259,058,744</u>

Note: Amounts presented above exclude accumulated depreciation/amortization.

STATISTICAL SECTION

(Unaudited)

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

Content

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 101,937,388	\$ 96,137,124	\$ 99,725,082	\$ 81,540,859	\$ 80,360,386
Restricted	11,415,537	11,808,330	11,099,682	13,193,796	15,896,233
Unrestricted	14,645,780	14,213,439	17,989,713	30,839,119	891,807
Total governmental activities net position	<u>\$ 127,998,705</u>	<u>\$ 122,158,893</u>	<u>\$ 128,814,477</u>	<u>\$ 125,573,774</u>	<u>\$ 97,148,426</u>
Business-type activities					
Net investment in capital assets	\$ 131,834,630	\$ 132,597,894	\$ 134,594,908	\$ 136,435,853	\$ 137,736,874
Restricted	-	-	-	-	-
Unrestricted	45,598,769	51,243,421	60,342,541	68,867,998	67,964,293
Total business-type activities net position	<u>\$ 177,433,399</u>	<u>\$ 183,841,315</u>	<u>\$ 194,937,449</u>	<u>\$ 205,303,851</u>	<u>\$ 205,701,167</u>
Primary government					
Net investment in capital assets	\$ 233,772,018	\$ 228,735,018	\$ 234,319,990	\$ 217,976,712	\$ 218,097,260
Restricted	11,415,537	11,808,330	11,099,682	13,193,796	15,896,233
Unrestricted	60,244,549	65,456,860	78,332,254	99,707,117	68,856,100
Total primary government net position	<u>\$ 305,432,104</u>	<u>\$ 306,000,208</u>	<u>\$ 323,751,926</u>	<u>\$ 330,877,625</u>	<u>\$ 302,849,593</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities					
Net investment in capital assets	\$ 76,922,983	\$ 76,448,008	\$ 80,168,758	\$ 82,832,384	\$ 84,333,700
Restricted	17,038,331	18,199,733	15,844,242	17,798,456	19,645,472
Unrestricted	3,056,112	5,551,292	13,387,874	12,883,106	17,668,446
Total governmental activities net position	<u>\$ 97,017,426</u>	<u>\$ 100,199,033</u>	<u>\$ 109,400,874</u>	<u>\$ 113,513,946</u>	<u>\$ 121,647,618</u>
Business-type activities					
Net investment in capital assets	\$ 139,979,877	\$ 144,714,974	\$ 146,886,096	\$ 151,384,975	\$ 150,239,394
Restricted	-	-	-	-	-
Unrestricted	73,535,748	70,348,770	72,890,058	67,504,472	56,906,009
Total business-type activities net position	<u>\$ 213,515,625</u>	<u>\$ 215,063,744</u>	<u>\$ 219,776,154</u>	<u>\$ 218,889,447</u>	<u>\$ 207,145,403</u>
Primary government					
Net investment in capital assets	\$ 216,902,860	\$ 221,162,982	\$ 227,054,854	\$ 234,217,359	\$ 234,573,094
Restricted	17,038,331	18,199,733	15,844,242	17,798,456	19,645,472
Unrestricted	76,591,860	75,900,062	86,277,932	80,387,578	74,574,455
Total primary government net position	<u>\$ 310,533,051</u>	<u>\$ 315,262,777</u>	<u>\$ 329,177,028</u>	<u>\$ 332,403,393</u>	<u>\$ 328,793,021</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 9,044,265	\$ 4,615,284	\$ 5,737,117	\$ 4,246,118	\$ 5,607,380
Public safety	25,449,659	25,597,650	26,975,314	29,086,467	29,605,046
Public Works	9,453,179	10,706,055	8,077,219	9,728,894	9,953,708
Engineering	814,945	583,199	932,529	886,679	1,060,051
Parks and recreation	1,587,287	8,938,049	9,977,191	16,248,923	21,956,422
Public Service	5,951,988	5,997,352	8,562,021	6,358,027	6,859,053
Emergency management	-	-	-	-	-
Economic development	18,735	136,816	31,056	41,392	29,177
Community revitalization	860,152	699,439	1,884,490	1,588,747	984,449
Interest on Long-term debt	621,151	448,397	444,951	843,423	2,207,931
Total governmental activities expenses	53,801,361	57,722,241	62,621,888	69,028,670	78,263,217
Business-type activities:					
Electric	89,711,665	87,658,326	69,017,466	70,787,007	71,232,212
Gas	21,752,958	21,526,874	20,071,951	18,422,872	24,975,040
Water	7,709,102	10,170,488	10,065,328	10,431,418	10,373,294
Sewer	13,223,459	13,050,143	12,673,511	12,860,780	12,716,649
Storm Water Management	3,618,378	3,342,760	3,348,865	3,328,174	3,347,852
Total business-type activities expenses	136,015,562	135,748,591	115,177,121	115,830,251	122,645,047
Total primary government expenses	\$ 189,816,923	\$ 193,470,832	\$ 177,799,009	\$ 184,858,921	\$ 200,908,264
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,941,273	1,775,761	4,832,656	864,670	9,672,937
Public Safety	265,988	353,021	327,997	375,369	294,525
Public Works	6,851,520	6,615,262	6,690,067	6,798,518	6,860,399
Recreation	1,389,363	1,321,850	1,360,969	1,246,085	1,617,815
Public Service	1,985,842	2,022,601	2,014,616	2,540,841	2,371,444
Other activities	15,959	11,956	34,578	3,608	6,316
Operating grants and contributions	7,407,188	5,373,671	6,766,148	6,343,215	5,792,802
Capital grants and contributions	1,015,333	762,051	718,009	3,332,477	1,139,989
Total governmental activities program revenues	20,872,466	18,236,173	22,745,040	21,504,783	27,756,227
Business-type activities:					
Charges for services:					
Electric	93,835,654	93,130,224	81,661,205	80,722,623	77,137,475
Gas	26,655,662	27,193,682	20,390,319	21,533,673	27,026,009
Water	10,991,423	10,953,543	11,348,246	11,050,295	11,196,298
Sewer	11,957,654	12,063,032	12,848,730	12,950,113	13,915,324
Storm Water Management	3,505,458	4,096,545	4,068,312	4,087,544	4,218,997
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	29,000	-	-	94,658	62,360
Total business-type activities program revenues	146,974,851	147,437,026	130,316,812	130,438,906	133,556,463
Total primary government program revenues	\$ 167,847,317	\$ 165,673,199	\$ 153,061,852	\$ 151,943,689	\$ 161,312,690
Net (expense)/revenue					
Governmental activities	\$ (32,928,895)	\$ (39,486,068)	\$ (39,876,848)	\$ (47,523,887)	\$ (50,506,990)
Business-type activities	10,959,289	11,688,435	15,139,691	14,608,655	10,911,416
Total primary government net expense	\$ (21,969,606)	\$ (27,797,633)	\$ (24,737,157)	\$ (32,915,232)	\$ (39,595,574)
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	(8,143,974)	-	-	-	-
Investment earnings	-	-	-	-	-
Operating grants and contributions	1,944,530	-	-	-	-
Total City of Rocky Mount Theatre, LLC	\$ (6,199,444)	\$ -	\$ -	\$ -	\$ -
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	23,435,908	23,283,987	24,034,407	24,460,822	24,973,010
Local option taxes	9,271,192	9,979,384	10,455,857	11,355,472	11,788,835
Other taxes	3,672,642	4,257,262	4,752,948	4,703,361	4,663,453
Investment earnings	65,120	63,732	106,992	440,160	909,681
Miscellaneous	3,024,711	5,028,768	2,946,466	2,996,049	3,473,197
Transfers	2,967,000	3,660,250	4,235,762	4,725,000	3,075,000
Total governmental activities	42,436,573	46,273,383	46,532,432	48,680,864	48,883,176
Business-type activities					
Investment earnings	98,463	92,516	192,205	482,747	1,036,920
Miscellaneous	-	-	-	-	-
Transfers	(2,967,000)	(3,660,250)	(4,235,762)	(4,725,000)	(3,075,000)
Total business-type activities	(2,868,537)	(3,567,734)	(4,043,557)	(4,242,253)	(2,038,080)
Total primary government	\$ 39,568,036	\$ 42,705,649	\$ 42,488,875	\$ 44,438,611	\$ 46,845,096
Change in Net Position					
Governmental activities	\$ 9,507,678	\$ 6,787,315	\$ 6,655,584	\$ 1,156,977	\$ (1,623,814)
Business-type activities	8,090,752	8,120,701	11,096,134	10,366,402	8,873,336
Total primary government	\$ 17,598,430	\$ 14,908,016	\$ 17,751,718	\$ 11,523,379	\$ 7,249,522
Total City of Rocky Mount Theatre, LLC	\$ (6,199,444)	\$ -	\$ -	\$ -	\$ -

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Expenses					
Governmental activities:					
General government	\$ 7,357,849	\$ 6,848,465	\$ 7,211,529	\$ 12,327,072	\$ 12,508,765
Public safety	29,825,141	32,377,844	31,534,336	32,292,754	37,284,082
Public Works	9,021,275	11,278,326	6,775,575	11,221,898	14,254,730
Engineering	-	-	-	-	-
Parks and recreation	18,943,080	13,413,840	10,857,582	12,448,235	15,048,561
Public Service	8,814,382	6,570,392	11,012,582	6,239,506	6,064,019
Emergency management	-	-	665,162	127,979	138,428
Economic development	106,821	11,297	728,614	545,579	-
Community revitalization	466,546	1,075,455	1,309,612	1,797,915	1,434,413
Interest on Long-term debt	2,190,205	2,147,553	2,046,395	1,564,995	1,573,162
Total governmental activities expenses	76,725,299	73,723,172	72,141,387	78,565,933	88,306,160
Business-type activities:					
Electric	71,142,497	69,985,488	69,259,226	71,664,187	77,887,870
Gas	21,456,450	21,093,159	20,545,958	24,820,895	31,008,038
Water	11,798,893	12,141,931	12,092,929	11,757,729	13,687,734
Sewer	13,286,082	15,208,286	15,732,793	15,893,835	16,097,254
Storm Water Management	3,570,243	3,879,397	3,521,327	3,522,754	4,427,122
Total business-type activities expenses	121,254,165	122,308,261	121,152,233	127,659,400	143,108,018
Total primary government expenses	\$ 197,979,464	\$ 196,031,433	\$ 193,293,620	\$ 206,225,333	\$ 231,414,178
Program Revenues					
Governmental activities:					
Charges for services:					
General government	3,226,365	2,516,056	2,510,582	1,586,500	1,743,720
Public Safety	340,056	289,210	631,326	837,131	157,500
Public Works	7,214,890	7,334,261	7,810,018	8,713,031	9,479,138
Recreation	2,227,424	1,491,125	1,408,814	1,761,433	2,394,032
Public Service	3,079,191	2,538,310	1,752,613	2,041,335	-
Other activities	-	-	-	-	-
Operating grants and contributions	5,306,611	5,634,127	8,181,445	8,209,652	20,212,730
Capital grants and contributions	2,239,141	1,474,267	1,189,785	652,759	646,617
Total governmental activities program revenues	23,633,678	21,277,356	23,484,583	23,801,841	34,633,737
Business-type activities:					
Charges for services:					
Electric	76,969,195	74,175,274	76,046,308	75,844,699	73,367,681
Gas	22,678,311	21,196,220	22,021,733	24,169,921	28,098,029
Water	11,563,436	11,788,916	11,391,136	11,837,945	12,172,530
Sewer	14,754,290	14,382,455	14,909,238	13,398,684	14,067,972
Storm Water Management	4,167,514	4,171,205	4,136,256	4,149,725	4,180,201
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	300,000	303,926	-	-	-
Total business-type activities program revenues	130,432,746	126,017,996	128,504,671	129,400,974	131,886,413
Total primary government program revenues	\$ 154,066,424	\$ 147,295,352	\$ 151,989,254	\$ 153,202,815	\$ 166,520,150
Net (expense)/revenue					
Governmental activities	\$ (53,091,621)	\$ (52,445,816)	\$ (48,656,804)	\$ (54,764,092)	\$ (53,672,423)
Business-type activities	9,178,581	3,709,735	7,352,438	1,741,574	(11,221,605)
Total primary government net expense	\$ (43,913,040)	\$ (48,736,081)	\$ (41,304,366)	\$ (53,022,518)	\$ (64,894,028)
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	-	-	-	-	-
Investment earnings	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total City of Rocky Mount Theatre, LLC	\$ -	\$ -	\$ -	\$ -	\$ -
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	26,982,181	27,882,481	28,748,392	28,504,020	30,587,804
Local option taxes	12,545,552	13,490,989	14,707,055	16,801,811	16,789,438
Other taxes	4,699,243	4,602,075	4,415,117	4,126,335	4,692,514
Investment earnings	1,055,402	846,130	302,777	416,332	1,768,417
Miscellaneous	4,578,243	5,380,748	7,010,304	6,253,666	3,961,914
Transfers	3,100,000	3,425,000	2,675,000	2,775,000	2,925,000
Total governmental activities	52,960,621	55,627,423	57,858,645	58,877,164	60,725,087
Business-type activities					
Investment earnings	1,735,877	1,263,384	34,972	149,719	2,242,532
Miscellaneous	-	-	-	-	157,029
Transfers	(3,100,000)	(3,425,000)	(2,675,000)	(2,775,000)	(2,925,000)
Total business-type activities	(1,364,123)	(2,161,616)	(2,640,028)	(2,625,281)	(525,439)
Total primary government	\$ 51,596,498	\$ 53,465,807	\$ 55,218,617	\$ 56,251,883	\$ 60,199,648
Change in Net Position					
Governmental activities	\$ (131,000)	\$ 3,181,607	\$ 9,201,841	\$ 4,113,072	\$ 7,052,664
Business-type activities	7,814,458	1,548,119	4,712,410	(883,707)	(11,747,044)
Total primary government	\$ 7,683,458	\$ 4,729,726	\$ 13,914,251	\$ 3,229,365	\$ (4,694,380)
Total City of Rocky Mount Theatre, LLC	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

modified accrual basis of accounting

	Fiscal Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 490,108	\$ 433,469	\$ 405,755	\$ 17,037,600	\$ 17,025,604
Restricted	11,284,591	11,214,768	11,354,780	11,801,938	14,350,085
Assigned	2,700,083	1,355,673	1,786,573	3,355,341	3,499,959
Unassigned	12,321,582	13,640,541	13,739,204	15,058,082	14,675,194
Total General Fund	<u>\$ 26,796,364</u>	<u>\$ 26,644,451</u>	<u>\$ 27,286,312</u>	<u>\$ 47,252,961</u>	<u>\$ 49,550,842</u>
All other governmental funds					
Nonspendable, reported in:					
Special revenue funds	99,000	99,000	\$ 260,000	\$ 16,989,800	\$ 288,000
Capital projects funds	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	1,592,589	1,259,277	1,438,274	2,147,811	1,573,675
Capital projects funds	1,127,925	2,204,394	792,144	17,186,740	8,809,355
Committed, reported in:					
Special revenue funds	430,111	574,086	285,493	171,100	255,230
Capital projects funds	266,215	207,522	383,770	1,626,320	16,649,800
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	541,010	881,740	-	-	-
Unassigned, reported in:					
Special revenue funds	(75,353)	(135,664)	(181,120)	(61,850)	(141,462)
Capital projects funds	-	-	(100,445)	(16,749,075)	(17,206,874)
Total all other governmental funds	<u>\$ 3,981,497</u>	<u>\$ 5,090,355</u>	<u>\$ 2,878,116</u>	<u>\$ 21,310,846</u>	<u>\$ 10,227,724</u>
Total governmental funds	<u>\$ 30,777,861</u>	<u>\$ 31,734,806</u>	<u>\$ 30,164,428</u>	<u>\$ 68,563,807</u>	<u>\$ 59,778,566</u>

Source: Audited Annual financial reports for 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

	Fiscal Year				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund					
Nonspendable	\$ 17,098,015	\$ 17,053,667	\$ 17,071,142	\$ 17,155,917	\$ 20,104,763
Restricted	13,751,476	16,175,052	12,821,221	16,112,969	17,760,358
Assigned	2,895,545	3,204,430	4,520,486	3,700,000	6,883,074
Unassigned	15,321,511	16,406,375	18,918,002	20,560,302	18,890,252
Total General Fund	<u>\$ 49,066,547</u>	<u>\$ 52,839,524</u>	<u>\$ 53,330,851</u>	<u>\$ 57,529,188</u>	<u>\$ 63,638,447</u>
All other governmental funds					
Nonspendable, reported in:					
Special revenue funds	\$ 288,000	\$ 400,000	\$ 400,000	\$ 390,000	\$ 330,000
Capital projects funds	-	-	-	-	-
Restricted, reported in:					
Special revenue funds	3,530,318	3,000,684	3,023,021	3,076,067	3,196,718
Capital projects funds	1,678,308	-	-	-	421,769
Committed, reported in:					
Special revenue funds	233,245	480,040	3,302,127	1,059,280	645,557
Capital projects funds	16,817,750	18,990,988	16,649,800	16,649,800	749,109
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	72,274	72,274	72,274	72,274	72,274
Unassigned, reported in:					
Special revenue funds	(237,144)	(656,888)	(150,103)	(640,682)	(209,553)
Capital projects funds	(16,640,800)	(16,640,800)	(16,640,800)	(16,640,800)	9,000
Total all other governmental funds	<u>\$ 5,741,951</u>	<u>\$ 5,646,298</u>	<u>\$ 6,656,319</u>	<u>\$ 3,965,939</u>	<u>\$ 5,214,874</u>
Total governmental funds	<u>\$ 54,808,498</u>	<u>\$ 58,485,822</u>	<u>\$ 59,987,170</u>	<u>\$ 61,495,127</u>	<u>\$ 68,853,321</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Ad valorem taxes	\$ 23,821,093	\$ 23,496,912	\$ 24,081,429	\$ 24,560,773	\$ 25,131,933
Intergovernmental revenues	21,373,550	22,431,424	24,634,137	28,152,162	25,885,896
Licenses and permits	845,949	891,336	858,853	1,524,414	1,800,839
Sales and services	8,606,993	8,303,246	8,815,725	8,607,485	8,555,114
Investment earnings	65,120	63,733	106,991	440,161	909,680
Contributions	-	-	20,000	9,000	-
Project revenue	4,156,053	2,026,322	2,246,491	2,491,335	2,400,116
Miscellaneous	1,268,572	965,243	1,126,983	1,203,327	1,382,903
Total revenues	60,137,330	58,178,216	61,890,609	66,988,657	66,066,481
Expenditures					
Current:					
General government	4,672,485	4,809,567	5,437,814	5,211,280	6,732,506
Public safety	25,717,824	26,351,478	27,970,036	27,845,239	29,112,732
Public service	5,746,295	5,277,826	7,149,186	8,898,666	6,203,232
Public works	9,404,184	11,056,678	9,740,887	9,533,773	9,121,086
Engineering	986,374	999,738	1,011,477	867,699	1,019,422
Parks and recreation	7,890,472	8,771,419	8,507,568	14,886,325	20,294,354
Economic development	18,735	136,816	31,056	41,392	29,177
Community revitalization	860,152	699,439	1,884,490	1,588,747	984,449
Emergency management	-	-	-	-	-
Capital projects:					
General government	2,328,864	97,114	826,855	-	-
Public safety	374,769	69,883	95,483	73,191	517,470
Parks and recreation	212,243	821,261	1,642,385	1,020,954	188,143
Public service	108,768	485,370	1,261,081	-	-
Community revitalization	-	-	-	-	-
Debt service:					
Principal	4,030,356	3,863,984	3,870,807	3,640,565	3,481,980
Interest	621,151	447,948	440,624	840,934	2,207,171
Total expenditures	\$ 62,972,672	\$ 63,888,521	\$ 69,869,749	\$ 74,448,765	\$ 79,891,722
Excess of revenues over (under) expenditures	(2,835,342)	(5,710,305)	(7,979,140)	(7,460,108)	(13,825,241)
Other financing sources (uses)					
Transfers in	4,064,942	5,105,019	6,577,346	24,806,450	5,217,446
Transfers out	(1,097,942)	(1,444,769)	(2,341,584)	(20,081,450)	(2,142,446)
Bond premium/discount	-	-	-	3,477,487	-
Debt financing	-	-	-	36,815,000	-
Lease obligations issued	-	-	-	-	-
Inception of SBITA agreement	-	-	-	-	-
Proceeds from installment purchase agreement	1,955,000	3,007,000	2,173,000	842,000	1,965,000
Total other financing sources (uses)	4,922,000	6,667,250	6,408,762	45,859,487	5,040,000
Net change in fund balance	\$ 2,086,658	\$ 956,945	\$ (1,570,378)	\$ 38,399,379	\$ (8,785,241)
Total debt service	\$ 4,651,507	\$ 4,311,932	\$ 4,311,431	\$ 4,481,499	\$ 5,689,151
Total expenditures	62,972,672	63,888,521	69,869,749	74,448,765	79,891,722
Capital outlay primary government only	13,621,602	7,094,717	10,420,735	11,387,714	13,365,605
Non-capital expenditures	\$ 49,351,070	\$ 56,793,804	\$ 59,449,014	\$ 63,061,051	\$ 66,526,117
Debt service as a percentage of non-capital expenditures	9.43%	7.59%	7.25%	7.11%	8.55%

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Ad valorem taxes	\$ 27,112,512	\$ 27,730,817	\$ 28,732,213	\$ 28,395,797	\$ 30,921,202
Intergovernmental revenues	27,263,383	27,727,887	31,599,609	33,738,205	42,692,391
Licenses and permits	1,778,770	1,673,666	1,831,084	1,896,908	1,913,320
Sales and services	9,792,320	10,300,303	9,719,476	11,340,654	11,877,809
Investment earnings	1,055,402	846,129	302,776	416,332	1,826,188
Contributions	-	-	-	-	150
Project revenue	3,135,089	2,499,037	1,783,938	2,101,638	2,328,822
Miscellaneous	2,097,793	986,405	841,748	1,309,607	1,557,572
Total revenues	72,235,269	71,764,244	74,810,844	79,199,141	93,117,454
Expenditures					
Current:					
General government	8,250,322	7,366,387	9,196,354	16,557,772	12,054,806
Public safety	30,597,901	29,779,845	29,495,513	33,179,464	35,996,718
Public service	8,875,480	6,219,969	9,900,073	6,503,162	6,064,019
Public works	9,892,601	9,633,834	9,809,297	12,103,320	17,401,167
Engineering	-	-	-	-	-
Parks and recreation	11,284,337	11,889,415	9,136,239	12,368,784	16,125,073
Economic development	106,821	11,297	728,614	374,536	178,061
Community revitalization	466,546	1,075,455	1,309,612	1,797,915	1,434,413
Emergency management	-	-	665,162	127,979	-
Capital projects:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	6,389,829	612,806	85,192	385,831	486,275
Public service	-	-	-	-	-
Community revitalization	-	-	-	-	-
Debt service:					
Principal	3,778,295	3,751,359	3,612,045	4,386,248	5,442,450
Interest	2,190,205	2,147,553	2,046,395	1,920,005	1,540,647
Total expenditures	\$ 81,832,337	\$ 72,487,920	\$ 75,984,496	\$ 89,705,016	\$ 96,723,629
Excess of revenues over (under) expenditures	(9,597,068)	(723,676)	(1,173,652)	(10,505,875)	(3,606,175)
Other financing sources (uses)					
Transfers in	5,165,984	5,520,811	6,974,755	5,580,577	14,380,810
Transfers out	(2,065,984)	(2,095,811)	(4,299,755)	(2,805,577)	(11,455,810)
Bond premium/discount	-	-	-	-	-
Debt Financing	-	-	-	-	-
Lease obligations issued	-	-	-	7,630,832	449,047
Inception of SBITA agreement	-	-	-	-	258,108
Proceeds from installment purchase agreement	1,527,000	976,000	-	1,608,000	5,708,000
Total other financing sources (uses)	4,627,000	4,401,000	2,675,000	12,013,832	9,340,155
Net change in fund balance	\$ (4,970,068)	\$ 3,677,324	\$ 1,501,348	\$ 1,507,957	\$ 5,733,980
Total debt service	\$ 5,968,500	\$ 5,898,912	\$ 5,658,440	\$ 6,306,253	\$ 6,983,097
Total expenditures	81,832,337	72,487,920	75,984,496	89,705,016	96,723,629
Capital outlay primary government only	8,462,868	5,121,232	7,890,412	5,993,341	14,576,036
Non-capital expenditures	\$ 73,369,469	\$ 67,366,688	\$ 68,094,084	\$ 83,711,675	\$ 82,147,593
Debt service as a percentage of non-capital expenditures	8.13%	8.76%	8.31%	7.53%	8.50%

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Service	Public Works	Parks & Recreation
2014	\$ 7,001,349	\$ 26,092,593	\$ 5,855,063	\$ 10,390,558	\$ 8,102,715
2015	4,906,681	26,421,361	5,763,196	12,056,416	9,592,680
2016	6,264,669	28,065,519	8,410,267	10,752,364	10,149,953
2017	5,211,280	27,918,430	8,898,666	10,401,472	15,907,279
2018	6,732,506	29,630,202	6,203,232	10,140,508	20,482,497
2019	8,250,322	30,597,901	8,875,480	9,892,601	17,674,166
2020	7,366,387	29,779,845	6,219,969	9,633,834	12,502,221
2021	9,196,354	29,495,513	9,900,073	9,809,297	9,221,431
2022	15,782,661	33,179,464	6,503,162	12,103,320	12,368,784
2023	12,541,081	35,996,718	6,064,019	17,401,167	16,125,073

Fiscal Year	Emergency Management Hazard Mitigation	Community Revitalization	Economic Development	Debt Service	Total Expenditures
2014	\$ -	\$ 860,152	\$ 18,735	\$ 4,651,507	\$ 62,972,672
2015	-	699,439	136,816	4,311,932	63,888,521
2016	-	1,884,490	31,056	4,311,431	69,869,749
2017	-	1,588,747	41,392	4,459,862	74,427,128
2018	-	984,449	29,177	5,478,632	79,681,203
2019	-	466,546	106,821	5,757,981	81,621,818
2020	-	1,075,455	11,297	5,688,393	72,277,401
2021	665,162	1,309,612	728,614	5,658,440	75,984,496
2022	127,979	1,797,915	374,536	6,095,734	88,333,555
2023	-	1,434,413	178,061	6,983,097	96,723,629

Source: Audited annual financial reports of the City of Rocky Mount
 Includes General, Special Revenue, and Capital Projects funds
 Excludes ARPA Fund and Rocky Mount Public Facilities Corporation

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years**

Fiscal Year	Ad Valorem Taxes	Local Option Sales Tax	Franchise Tax	Tele-Communications Tax	Beer & Wine Tax	Licenses Permits & Other Taxes	Total Tax Revenues
2014	\$ 23,755,532	\$ 9,271,192	\$ 2,918,783	\$ 753,859	\$ 247,804	\$ 845,949	\$ 37,793,119
2015	23,415,767	9,929,384	3,549,282	707,980	268,678	891,336	38,762,427
2016	24,003,773	10,390,857	4,133,398	619,550	246,175	858,853	40,252,606
2017	24,494,306	11,290,472	4,088,160	615,201	249,805	1,524,414	42,262,358
2018	25,061,494	11,723,835	4,105,496	557,957	237,583	1,800,839	43,487,204
2019	27,112,512	12,545,552	4,179,452	519,791	236,289	1,778,770	46,372,366
2020	27,730,817	13,490,989	4,139,735	462,340	235,036	1,673,666	47,732,583
2021	28,732,213	14,707,055	4,035,227	379,890	229,359	1,826,334	49,910,078
2022	28,395,797	16,801,811	4,110,613	306,122	215,541	1,892,858	51,722,742
2023	30,921,202	16,789,438	4,300,064	305,954	246,949	1,913,320	54,476,927

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

Note: Ad valorem taxes includes penalties, interest, & special district tax
Includes General fund

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Tele-communication Tax	Inter-Governmental Revenue	Licenses & Permits	Sales and Services	Project Revenue	Investment Earnings	Other Revenue	Total Revenues
2014	\$ 23,821,093	\$ 753,859	\$ 20,619,691	\$ 845,949	\$ 8,606,993	\$ 4,156,053	\$ 65,120	\$ 1,268,572	\$ 60,137,331
2015	23,496,912	707,980	21,723,444	891,336	8,303,246	2,026,322	63,733	965,243	58,178,216
2016	24,081,429	619,550	24,014,587	858,853	8,815,725	2,246,491	106,991	1,146,983	61,890,609
2017	24,560,773	615,201	27,536,961	1,524,414	8,607,485	2,491,335	440,161	1,181,690	66,958,020
2018	25,131,933	557,957	25,327,939	1,800,839	8,555,114	2,400,116	909,680	1,172,384	65,855,962
2019	27,112,512	519,791	26,743,592	1,778,770	9,792,320	3,135,089	1,055,402	1,887,274	72,024,750
2020	27,730,817	462,340	27,265,547	1,673,666	10,300,303	2,499,037	846,129	775,887	71,553,726
2021	28,732,213	379,890	31,219,719	1,826,334	9,724,226	1,781,950	302,776	633,217	74,600,325
2022	28,395,797	306,122	32,271,141	1,896,908	11,340,654	2,101,638	409,730	1,099,088	77,821,078
2023	30,921,202	305,954	32,386,437	1,913,320	11,877,809	2,328,822	1,809,289	1,347,203	82,890,036

Source: Audited annual financial reports of the City of Rocky Mount
 Includes General, Special Revenue, and Capital Projects funds
 Excludes ARPA Fund and Rocky Mount Public Facilities Corporation

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Real Property				Personal Property	
	Residential Property		Commercial Property		Nash	Edgecombe
	Nash	Edgecombe	Nash	Edgecombe		
2014	\$ 1,607,339,569	\$ 469,763,599	\$ 964,403,741	\$ 35,358,550	\$ 734,489,531	\$ 115,903,296
2015	1,619,968,919	471,493,161	951,410,318	35,488,733	687,277,074	163,609,353
2016	1,615,745,248	469,421,346	948,929,749	35,332,789	683,952,105	151,311,571
2017 (4)	1,490,253,165	462,645,300	1,079,148,844	45,756,129	749,073,020	149,823,142
2018 (4&5)	1,376,224,104	427,888,176	996,576,076	42,318,611	746,582,183	137,286,402
2019 (4)	1,388,260,912	419,315,859	1,005,292,384	41,470,799	856,703,977	121,713,809
2020 (4)	1,382,753,080	421,304,030	1,043,129,517	41,667,431	959,086,093	141,648,235
2021 (4)	1,262,384,044	422,431,708	1,212,878,788	41,778,960	995,856,344	161,333,847
2022 (4)	1,273,738,440	423,112,080	1,223,787,912	41,846,250	988,158,206	131,772,111
2023 (4)	1,314,088,702	421,000,204	1,213,004,955	41,637,383	1,062,773,479	139,253,800

Fiscal Year	Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Nash	Edgecombe				
2014	\$ 42,301,359	\$ 38,394,016	\$ 4,007,953,661	0.58	\$ 3,972,326,494	100.90%
2015	46,020,988	35,272,383	4,010,540,929	0.58	3,950,569,476	101.52%
2016	50,550,431	32,875,817	3,988,119,056	0.605	3,931,828,062	101.43%
2017 (4)	50,254,170	31,893,692	4,058,847,462	0.605	4,100,095,736	98.99%
2018 (4&5)	58,086,015	31,185,813	3,816,147,381	0.66	4,003,696,773	95.32%
2019 (4)	61,226,994	41,081,664	3,935,066,398	0.685	4,129,418,060	95.29%
2020 (4)	67,640,174	37,149,632	4,094,378,192	0.685	4,391,080,499	93.24%
2021 (4)	69,026,526	41,351,771	4,207,041,988	0.685	4,700,039,972	89.51%
2022 (4)	71,619,252	38,912,038	4,192,946,289	0.685	5,234,040,561	80.11%
2023 (4)	71,587,511	40,537,031	4,303,883,065	0.685	5,963,303,426	72.17%

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>Total County Millage</u>	
2014	0.58	-	0.58	0.86	0.86	1.44
2015	0.58	-	0.58	0.895	0.895	1.475
2016	0.605	-	0.605	0.95	0.95	1.555
2017	0.605	-	0.605	0.95	0.95	1.555
2018	0.660	-	0.660	0.95	0.95	1.610
2019	0.685	-	0.685	0.95	0.95	1.635
2020	0.685	-	0.685	0.95	0.95	1.635
2021	0.685	-	0.685	0.95	0.95	1.635
2022	0.685	-	0.685	0.95	0.95	1.635
2023	0.685	-	0.685	0.95	0.95	1.635

<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>	
2014	0.58	-	0.58	0.67	0.20	1.45
2015	0.58	-	0.58	0.67	0.20	1.45
2016	0.605	-	0.605	0.67	0.20	1.475
2017	0.605	-	0.605	0.67	0.20	1.475
2018	0.660	-	0.660	0.67	0.20	1.530
2019	0.685	-	0.685	0.67	0.20	1.555
2020	0.685	-	0.685	0.67	0.20	1.555
2021	0.685	-	0.685	0.67	0.20	1.555
2022	0.685	-	0.685	0.67	0.20	1.555
2023	0.685	-	0.685	0.67	0.20	1.555

Sources: City of Rocky Mount Finance Department

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	Type of Business	2023			2014		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc ^a	Pharmaceuticals Manufacturing	\$ 451,241,585	1	10.48 %	\$154,304,592	1	3.85 %
Kaba Iico Corp	Key & Security System Manufacturing	29,622,700	2	0.69	20,090,467	6	0.50
Duke Energy Progress, Inc. ^b	Utility - Electrical	24,961,746	3	0.58	16,045,211	9	0.40
Dominion North Carolina Power	Utility - Electrical	22,416,761	4	0.52			
Oakwood Properties LLC	Community Development Company	17,536,508	5	0.41	\$18,945,395	7	0.47
Honeywell International Inc	Aircraft Manufacturing	17,405,861	6	0.40	\$14,867,784	10	0.37
CSX Transportation	Freight Transportation	15,055,986	7	0.35			
Hendon Golden East LLC	Retail Shopping Center	14,090,598	8	0.33	\$35,677,641	4	0.89
Carolina Telephone Company	Communications	14,030,982	9	0.33	38,757,400	2	0.97
Boddie Noell Enterprises Inc	Restaurant Operator/Land Development	12,914,687	10	0.30			
Cobb Corners Shops LLP	Retail Shopping Center						
Rocky Mount WEHLP	Community Development Company				18,440,182	8	0.46
PNC Bank	Banking				18,040,940	5	0.45
Edgecombe Genco LLC	Electrical Energy Producer				38,515,368	3	0.96
Total		\$ 619,277,414		14.39 %	\$373,684,980		9.32 %

Source: City of Rocky Mount Finance Dept

^a On September 3, 2015, Hospira was acquired by Pfizer

^b Formerly Progress Energy Carolinas

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)			Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments	Amount	Percentage of Levy		Amount	Percentage of Levy			
2014	\$ 23,143,497	\$ 127,360	\$ 23,270,857	\$ 22,351,527	96.58	\$ 707,527	\$ 23,059,054	99.09	
2015	23,012,679	269,223	23,281,902	22,562,575	98.04	521,264	23,083,839	99.15	
2016	24,015,823	110,955	24,126,778	23,394,761	97.41	523,844	23,918,605	99.14	
2017	24,402,640	152,032	24,554,672	23,836,350	97.68	487,154	24,323,504	99.06	
2018	25,022,642	157,473	25,180,115	24,533,103	98.04	416,539	24,949,642	99.08	
2019	26,588,336	336,848	26,925,184	26,270,847	98.81	396,373	26,667,220	99.04	
2020	27,917,124	128,045	28,045,169	27,008,648	96.75	676,368	27,685,016	98.72	
2021	28,662,926	153,000	28,815,926	27,691,523	96.61	506,051	28,197,574	97.85	
2022	28,598,799	122,363	28,721,162	27,476,366	96.08	587,890	28,064,256	97.71	
2023	29,387,239	94,237	29,481,476	28,812,724	98.05	-	28,812,724	97.73	

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

**Electric Utility Revenue Rates
Fiscal Year 2022-2023**

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-1,500 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW
Residential effective 7/1/17		26.00	45.00				
Small General Service 7/1/17		26.00	45.00				
Medium General Service 7/1/17		50.00	70.00				
Large General Service 7/1/17	600.00						
Coordinated Demand Control Service 7/1/2013				265.00	975.00		1,850.00
Med General Seasonal/Intermittent 7/1/2017		33.00	50.00				
Industrial Service 7/1/17	1,125.00						

Service Type	Monthly Energy Charge/kWH	Monthly Energy Charge-First 750 kWH/kWH	Monthly Energy Charge-Next 1250 kWH/kWH	Monthly Energy Charge-All Over 2000 kWH/kWH	Monthly Energy Charge-First 2000 kWH/kWH	Monthly Energy Charge-Additional kWH/kWH
Residential effective 7/1/17	0.097077					
Small General Service 7/1/17		0.123620	0.102931	0.097237		
Medium General Service 7/1/17	0.068000					
Large General Service 7/1/17	0.053700					
Coordinated Demand Control Service 7/1/2013	0.058375					
Med General Seasonal/Intermittent 7/1/2017					0.125159	0.099238
Industrial Service 7/1/17	0.042200					

Source: City of Rocky Mount Administrative Policy

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

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Residential-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	14.00	14.00	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	21.00	21.00	19.00	19.00	19.00
Monthly Energy Charge/kWH	0.13	0.13	0.10	0.10	0.10
<u>Small General Service-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	26.00	26.00	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	19.00	19.00	19.00	19.00	19.00
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.16	0.16	0.13	0.13	0.12
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.13	0.13	0.11	0.11	0.10
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.12	0.12	0.10	0.10	0.10
<u>Medium General Service-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	27.00	27.00	33.00	33.00	50.00
Monthly Customer Charge-Three Phase(add amount to single)	20.00	20.00	20.00	20.00	20.00
Monthly Energy Charge/kWH	0.10	0.10	0.07	0.07	0.07
<u>Large General Service-rates at fiscal year-end</u>					
Monthly Customer Charge	1,130.00	1,130.00	600.00	600.00	600.00
Monthly Energy Charge/kWH	0.07	0.07	0.06	0.06	0.05
<u>Coordinated Demand Control Service-rates fiscal end</u>					
Monthly Customer Charge-Under 1,000 kW	265.00	265.00	265.00	265.00	265.00
Monthly Customer Charge-1,000 -2,500 kW	975.00	975.00	975.00	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	1,850.00	1,850.00	1,850.00	1,850.00	1,850.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.06
<u>Coordinated Demand Control Service/Industrial-rates fiscal end</u>					
<i>repealed 9/1/15</i>					
Monthly Customer Charge-1,500 -2,500 kW	975.00	975.00	975.00	-	-
Monthly Customer Charge-Over 2,500 kW	1,850.00	1,850.00	1,850.00	-	-
Monthly Energy Charge/kWH	0.06	0.06	0.06	-	-
<u>Med General Seasonal/Intermittent-rates fiscal end</u>					
Monthly Customer Charge-Single Phase	38.00	38.00	33.00	33.00	33.00
Monthly Customer Charge-Three Phase	20.00	20.00	17.00	17.00	17.00
Monthly Energy Charge-First 2000 kWH/kWH	0.15	0.15	0.13	0.13	0.13
Monthly Energy Charge-Additional kWH/kWH	0.12	0.12	0.10	0.10	0.10
<u>Industrial Service</u>					
Monthly Facilities Charge	-	-	700.00	700.00	1,125.00
Monthly Energy Charge/kWH	-	-	0.05	0.05	0.04

Source: City of Rocky Mount Administrative Policy

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

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Residential-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	26.00	26.00	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	19.00	19.00	19.00	19.00	19.00
Monthly Energy Charge/kWH	0.10	0.10	0.10	0.10	0.10
<u>Small General Service-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	26.00	26.00	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	19.00	19.00	19.00	19.00	19.00
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.12	0.12	0.12	0.12	0.12
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.10	0.10	0.10	0.10	0.10
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.10	0.10	0.10	0.10	0.10
<u>Medium General Service-rates at fiscal year-end</u>					
Monthly Customer Charge-Single Phase	50.00	50.00	50.00	50.00	50.00
Monthly Customer Charge-Three Phase(add amount to single)	20.00	20.00	20.00	20.00	20.00
Monthly Energy Charge/kWH	0.07	0.07	0.07	0.07	0.07
<u>Large General Service-rates at fiscal year-end</u>					
Monthly Customer Charge	600.00	600.00	600.00	600.00	600.00
Monthly Energy Charge/kWH	0.05	0.05	0.05	0.05	0.05
<u>Coordinated Demand Control Service-rates fiscal end</u>					
Monthly Customer Charge-Under 1,000 kW	265.00	265.00	265.00	265.00	265.00
Monthly Customer Charge-1,000 -2,500 kW	975.00	975.00	975.00	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	1,850.00	1,850.00	1,850.00	1,850.00	1,850.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.06
<u>Coordinated Demand Control Service/Industrial-rates fiscal end</u>					
<i>repealed 9/1/15</i>					
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Monthly Customer Charge-1,500 -2,500 kW	-	-	-	-	-
Monthly Customer Charge-Over 2,500 kW	-	-	-	-	-
Monthly Energy Charge/kWH	-	-	-	-	-
<u>Med General Seasonal/Intermittent-rates fiscal end</u>					
Monthly Customer Charge-Single Phase	33.00	33.00	33.00	33.00	33.00
Monthly Customer Charge-Three Phase	17.00	17.00	17.00	17.00	17.00
Monthly Energy Charge-First 2000 kWH/kWH	0.13	0.13	0.13	0.13	0.13
Monthly Energy Charge-Additional kWH/kWH	0.10	0.10	0.10	0.10	0.10
<u>Industrial Service</u>					
Monthly Facilities Charge	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.04

City of Rocky Mount, North Carolina

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

Type of Business	2023			2014		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 74,714,124	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 93,859,674
Healthcare	\$ 2,100,570	1	2.81%	\$ 2,905,882	1	3.10%
Bakery Production Facility	684,871	2	0.92%	1,047,058	3	1.12%
Elevator Production Facility	593,952	3	0.79%	537,764	7	0.57%
Communications	560,713	4	0.75%	698,770	6	0.74%
Plastic Packaging Manufacturer	531,885	5	0.71%	1,142,762	2	1.22%
Food Distributor	516,161	6	0.69%	882,455	5	0.94%
Healthcare packaging	470,728	7	0.63%	-		0.00%
Key & Security System Manufacturer	465,489	8	0.62%	1,021,625	4	1.09%
Bakery Production Facility	442,145	9	0.59%	-		0.00%
Data Systems	428,821	10	0.57%	451,620	8	0.48%
Plastic Packaging Manufacturer	-		-	425,407		0.45%
Department Store	-		-	447,603	9	0.48%
	<u>\$ 6,795,335</u>		<u>9.10%</u>	<u>\$ 9,560,946</u>		<u>10.19%</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Purchased Power</u>	<u>Operating Expenses</u>	<u>Operating Income</u>	<u>Nonoperating Revenues & (Expenses) Net</u>	<u>Income Before Transfers</u>
2014	\$ 93,771,709	\$ 75,354,137	\$ 14,052,385	\$ 4,365,187	\$ (217,178)	\$ 4,148,009
2015	93,059,344	72,729,666	14,139,991	6,189,687	(697,028)	5,492,659
2016	81,344,061	53,102,969	15,495,839	12,745,253	(31,786)	12,713,467
2017	79,960,866	54,693,922	15,863,768	9,403,176	766,753	10,169,929
2018	77,070,580	53,108,853	16,694,544	7,267,183	(829,289)	6,437,894
2019	76,875,739	53,310,732	17,586,957	5,978,050	726,582	6,704,632
2020	74,034,437	51,950,592	17,907,538	4,176,307	643,031	4,819,338
2021	75,955,186	50,980,465	18,218,851	6,755,870	54,586	6,810,456
2022	75,005,750	52,732,148	18,860,804	3,412,798	841,075	4,253,873
2023	73,367,681	51,099,920	26,708,042	(4,440,281)	1,266,535	(3,173,746)

<u>Fiscal Year</u>	<u>Capital Contributions & Transfers In (Out) Net</u>	<u>Net Income (Loss)</u>	<u>Ratio of Net Income (loss) to Operating Revenues</u>
2014	\$ (1,425,000)	\$ 2,723,009	2.9%
2015	(1,700,000)	3,792,659	4.1%
2016	(1,700,000)	11,013,467	13.5%
2017	(2,058,968)	8,110,961	10.1%
2018	(2,165,000)	4,272,894	5.5%
2019	(2,150,000)	4,554,632	5.9%
2020	(2,300,000)	2,519,338	3.4%
2021	(2,485,000)	4,325,456	5.7%
2022	(2,550,000)	1,703,873	2.3%
2023	(2,600,000)	(5,773,746)	-7.9%

Source: Audited financial reports of the City of Rocky Mount

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
2014	\$ 91,430,978	\$ 2,340,731	\$ 63,945	\$ -	\$ 24,020	\$ 93,859,674
2015	91,929,928	1,129,416	70,880	-	20,761	93,150,985
2016	80,485,127	858,934	317,144	-	69,728	81,730,933
2017	78,883,736	1,077,130	761,757	51,032	234,313	81,007,968
2018	75,958,532	1,112,048	66,895	-	532,631	77,670,106
2019	75,633,092	1,242,647	93,456	-	877,934	77,847,129
2020	73,090,603	943,834	140,837	-	629,552	74,804,826
2021	74,754,278	1,200,908	91,122	-	23,374	76,069,682
2022	74,443,295	562,455	838,949	-	73,361	75,918,060
2023	72,871,475	496,206	132,150	-	1,214,293	74,714,124

Source: Audited financial reports of the City of Rocky Mount

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Commercial/ Industrial	Commercial	Seasonal	Other Lights	Total User Charges
2014	\$ 42,714,433	\$ 42,689,175	\$ 3,609,477	\$ 331,702	\$ 2,086,191	\$ 91,430,978
2015	42,738,735	43,073,256	3,607,192	366,185	2,144,560	91,929,928
2016	37,041,030	35,509,526	5,485,774	350,457	2,098,339	80,485,127
2017	36,940,907	32,871,262	6,642,553	321,445	2,107,569	78,883,736
2018	36,859,938	30,335,500	6,778,103	236,125	1,748,866	75,958,532
2019	37,088,897	30,044,885	6,798,932	326,813	1,373,566	75,633,092
2020	36,124,626	28,687,347	6,593,357	329,344	1,355,929	73,090,603
2021	38,155,503	28,366,207	6,543,499	231,824	1,457,245	74,754,278
2022	37,466,316	29,013,852	6,245,383	234,106	1,483,637	74,443,295
2023	36,308,365	28,650,729	6,200,679	224,361	1,487,341	72,871,475

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers
2014	\$ 26,655,662	\$ 14,329,752	\$ 7,156,602	\$ 5,169,308	\$ (257,710)	\$ 4,911,598
2015	27,193,682	14,881,099	6,372,319	5,940,264	(258,012)	5,682,252
2016	20,385,720	11,028,446	8,847,685	509,589	(152,026)	357,563
2017	21,533,673	10,705,249	7,626,627	3,201,797	1,152	3,202,949
2018	27,026,009	15,587,726	8,922,674	2,515,609	(283,443)	2,232,166
2019	22,678,311	12,060,598	8,967,289	1,650,424	(112,756)	1,537,668
2020	21,196,220	10,215,375	10,274,014	706,831	(365,342)	341,489
2021	22,021,733	10,279,075	10,237,137	1,505,521	(24,568)	1,480,953
2022	24,169,921	14,117,388	10,679,912	(627,379)	15,358	(612,021)
2023	28,098,029	18,132,752	12,885,989	(2,920,712)	418,998	(2,501,714)

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2014	\$ (1,066,000)	\$ 3,845,598	14.43%
2015	(1,900,000)	3,782,252	13.91%
2016	(2,100,000)	(1,742,437)	-8.55%
2017	(2,245,000)	957,949	4.45%
2018	-	2,232,166	8.26%
2019	(1,025,000)	512,668	2.26%
2020	(1,200,000)	(858,511)	-4.05%
2021	-	1,480,953	6.72%
2022	(300,000)	(912,021)	-3.77%
2023	(400,000)	(2,901,714)	-10.33%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Investment Earnings	Total Revenues
2014	\$ 26,507,748	\$ 147,914	\$ -	\$ 8,894	\$ 26,664,556
2015	26,993,761	199,921	-	15,444	27,209,126
2016	20,218,245	167,475	4,599	39,195	20,429,514
2017	21,390,421	143,252	-	92,148	21,625,821
2018	26,683,450	342,559	-	181,197	27,207,206
2019	22,478,312	199,999	-	315,807	22,994,118
2020	20,826,108	370,112	-	238,428	21,434,648
2021	21,702,587	319,146	-	5,178	22,026,911
2022	23,858,265	311,656	-	38,953	24,208,874
2023	27,799,573	318,456	22,027	408,295	28,548,351

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Special</u>	<u>Seasonal</u>	<u>Other</u>	<u>Total User Charges</u>
2014	\$ 13,789,553	\$ 7,557,336	\$ 1,185,317	\$ 3,791,887	\$ 183,655	\$ -	\$ 26,507,748
2015	13,865,721	7,763,319	1,364,225	3,761,901	238,596	-	26,993,761
2016	10,252,283	5,733,321	1,204,443	2,800,705	227,494	-	20,218,245
2017	10,890,188	5,710,045	1,289,012	2,508,488	992,687	-	21,390,421
2018	13,843,786	7,369,478	1,578,075	2,585,328	1,306,783	-	26,683,450
2019	11,428,483	6,392,600	1,318,358	2,427,881	910,991	-	22,478,312
2020	10,849,421	5,859,192	1,214,339	2,433,886	469,270	-	20,826,108
2021	11,771,636	6,174,013	1,055,920	2,229,696	471,322	-	21,702,587
2022	12,328,407	6,870,206	868,317	3,094,070	697,265	-	23,858,265
2023	13,601,444	8,188,159	1,160,959	3,772,886	1,056,125	-	27,779,573

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2014	\$ 10,961,723	\$ 7,570,233	\$ 3,391,490	\$ (90,826)	\$ 3,300,664
2015	10,942,768	9,998,089	944,679	(145,622)	799,057
2016	11,340,187	9,913,611	1,426,576	(111,578)	1,314,998
2017	11,022,058	10,306,996	715,062	(21,630)	693,432
2018	11,192,092	10,346,891	845,201	132,776	977,977
2019	11,420,235	11,675,726	(255,491)	266,093	10,602
2020	11,776,384	12,117,860	(341,476)	160,083	(181,393)
2021	11,383,117	12,097,541	(714,424)	15,704	(698,720)
2022	11,701,267	11,748,292	(47,025)	148,146	101,121
2023	12,172,530	13,687,022	(1,514,492)	380,171	(1,134,321)

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2014	\$ (526,000)	\$ 2,774,664	25.3%
2015	(125,000)	674,057	6.2%
2016	(500,000)	814,998	7.2%
2017	(445,000)	248,432	2.3%
2018	(922,640)	55,337	0.5%
2019	150,000	160,602	1.4%
2020	-	(181,393)	-1.5%
2021	(265,000)	(963,720)	-8.5%
2022	-	101,121	0.9%
2023	-	(1,134,321)	-9.3%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
2014	\$ 10,771,384	\$ 22,020	\$ 168,319	\$ 29,700	\$ -	\$ 18,343	\$ 11,009,766
2015	10,664,276	61,813	216,679	10,775	-	16,002	10,969,545
2016	11,046,278	49,025	244,884	8,059	-	32,080	11,380,326
2017	10,673,585	30,050	318,423	28,237	-	74,555	11,124,850
2018	10,844,652	31,380	255,375	64,891	62,360	154,973	11,413,631
2019	11,024,513	39,298	265,113	234,512	150,000	246,059	11,959,495
2020	10,794,113	31,498	852,027	111,278	-	171,622	11,960,538
2021	10,845,204	168,170	206,952	170,810	-	3,073	11,394,209
2022	11,299,148	173,346	228,773	136,678	-	20,905	11,858,850
2023	12,047,259	47,875	77,396	24,879	-	356,004	12,553,413

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Inside City	Outside City	Municipal	Other	Total User Charges
2014	\$ 8,234,091	\$ 752,157	\$ 1,785,136	\$ -	\$ 10,771,384
2015	8,332,830	753,613	1,577,833	-	10,664,276
2016	8,647,758	834,213	1,564,307	-	11,046,278
2017	8,324,804	825,383	1,523,398	-	10,673,585
2018	8,268,276	803,464	1,772,912	60,685	10,905,337
2019	8,363,159	804,937	1,856,418	-	11,024,513
2020	8,093,319	696,980	2,003,815	98,746	10,892,859
2021	7,975,926	682,939	2,186,339	-	10,845,204
2022	8,152,586	818,001	2,328,560	-	11,299,148
2023	8,364,470	929,850	2,752,940	-	12,047,259

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2014	\$ 11,933,548	\$ 12,777,308	\$ (843,760)	\$ (380,992)	\$ (1,224,752)
2015	12,063,032	11,763,654	299,378	(1,251,280)	(951,902)
2016	12,848,473	11,841,856	1,006,617	(788,783)	217,834
2017	12,947,995	12,615,367	332,628	(180,735)	151,893
2018	13,914,800	12,566,997	1,347,803	(28,933)	1,318,870
2019	14,753,709	13,075,414	1,678,295	(5,649)	1,672,646
2020	14,382,455	14,963,383	(580,928)	(94,781)	(675,709)
2021	14,908,826	15,602,124	(693,298)	(128,105)	(821,403)
2022	13,398,684	15,757,211	(2,358,527)	(129,456)	(2,487,983)
2023	14,067,972	16,001,868	(1,933,896)	(21,406)	(1,955,302)

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2014	\$ -	\$ (1,224,752)	-10.3%
2015	(10,250)	(962,152)	-8.0%
2016	(10,762)	207,072	1.6%
2017	43,626	195,519	1.5%
2018	-	1,318,870	9.5%
2019	150,000	1,822,646	12.4%
2020	-	(675,709)	-4.7%
2021	-	(821,403)	-5.5%
2022	-	(2,487,983)	-18.6%
2023	-	(1,955,302)	-13.9%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-Operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
2014	\$ 11,689,883	\$ 12,103	\$ 231,562	\$ -	\$ 24,106	\$ 41,053	\$ 11,998,707
2015	11,756,097	50,506	256,429	-	-	35,209	12,098,241
2016	12,532,495	53,534	262,444	257	-	42,615	12,891,345
2017	12,552,634	60,865	334,496	2,118	43,626	62,560	13,056,299
2018	13,011,724	50,959	852,117	524	-	120,195	14,035,519
2019	13,639,553	74,472	1,039,684	581	150,000	204,438	15,108,728
2020	12,829,201	59,738	1,493,516	-	-	150,122	14,532,577
2021	13,308,814	386,908	1,213,516	-	-	2,152	14,911,390
2022	12,018,443	175,468	1,204,773	-	-	7,168	13,405,852
2023	12,850,644	34,220	1,183,108	-	-	73,980	14,141,952

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Sewer Service	Sewer Surcharge	Sewer No Water	Wholesale	Other	Total User Charges
2014	\$ 8,715,746	\$ 357,862	\$ 98,083	\$ 2,495,781	\$ 22,411	\$ 11,689,883
2015	8,728,066	333,735	100,247	2,571,500	22,549	11,756,097
2016	9,443,112	463,221	128,912	2,474,028	23,222	12,532,495
2017	9,469,942	532,009	138,498	2,389,584	22,602	12,552,634
2018	9,684,729	477,134	133,389	2,692,761	23,711	13,011,724
2019	9,611,200	572,201	156,265	3,277,548	22,339	13,639,553
2020	9,338,875	605,696	114,283	2,749,235	21,112	12,829,201
2021	9,158,994	725,351	80,502	3,323,137	20,830	13,308,814
2022	9,248,256	316,623	116,057	2,317,264	20,244	12,018,443
2023	9,617,534	329,265	120,691	2,409,791	21,053	12,498,333

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORM WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2014	\$ 3,505,458	\$ 3,594,178	\$ (88,720)	\$ (18,047)	\$ (106,767)
2015	4,096,545	3,322,599	773,946	(15,061)	758,885
2016	4,068,312	3,328,062	740,250	(12,216)	728,034
2017	4,087,544	3,315,112	772,432	6,109	778,541
2018	4,218,997	3,334,062	884,935	34,134	919,069
2019	4,167,514	3,540,490	627,024	61,886	688,910
2020	4,171,205	3,869,601	301,604	63,864	365,468
2021	4,136,256	3,511,802	624,454	(8,330)	616,124
2022	4,149,725	3,516,540	633,185	3,118	636,303
2023	4,180,201	4,418,526	(238,325)	181,364	(56,961)

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2014	\$ 79,000	\$ (27,767)	-0.8%
2015	75,000	833,885	20.4%
2016	75,000	803,034	19.7%
2017	75,000	853,541	20.9%
2018	75,000	994,069	23.6%
2019	75,000	763,910	18.3%
2020	378,926	744,394	17.8%
2021	75,000	691,124	16.7%
2022	75,000	711,303	17.1%
2023	75,000	18,039	0.4%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
2014	\$ 3,457,268	\$ 48,190	\$ -	\$ 29,000	\$ 6,153	\$ 3,540,611
2015	4,040,905	55,640	-	-	5,100	4,101,645
2016	4,022,698	45,614	-	-	8,587	4,076,899
2017	4,031,624	55,920	-	-	19,171	4,106,715
2018	4,131,208	87,789	-	-	47,924	4,266,921
2019	4,087,899	79,615	-	-	91,639	4,259,153
2020	4,113,775	57,430	-	303,926	73,660	4,548,791
2021	4,109,219	27,037	-	-	1,195	4,137,451
2022	4,132,321	17,404	-	-	9,332	4,159,057
2023	4,157,480	22,721	-	-	189,960	4,370,161

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Multi-family	Commercial	Total User Charges
2014	\$ 890,392	\$ 229,306	\$ 2,337,570	\$ 3,457,268
2015	1,045,465	273,979	2,721,461	4,040,905
2016	1,042,414	275,866	2,704,418	4,022,698
2017	2,706,221	277,409	1,047,994	4,031,624
2018	2,785,419	283,020	1,062,769	4,131,208
2019	2,744,729	283,574	1,059,596	4,087,899
2020	2,761,328	288,322	1,064,125	4,113,775
2021	2,741,210	290,628	1,077,381	4,109,219
2022	2,758,472	289,977	1,083,872	4,132,321
2023	2,772,706	287,811	1,096,963	4,157,480

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-type Activities					Primary Government
	Installment Purchases	Special Obligation Bonds*	HUD Section 108 Loan	YMCA Debt	Lease Liabilities	Subscription Liabilities	Sewer Loans	Installment Purchases	Lease Liabilities	Subscription Liabilities		
2014	\$ 18,728,008	\$ -	\$ 2,220,000	\$ 300,000	\$ -	\$ -	\$ 6,947,668	\$ 11,578,875	\$ -	\$ -	\$ 39,774,551	
2015	18,578,801	-	2,075,000	200,000	-	-	6,518,239	8,845,332	-	-	36,217,372	
2016	16,967,327	-	1,930,000	100,000	-	-	6,088,810	8,475,070	-	-	33,561,207	
2017	14,255,095	40,109,743	1,785,000	-	-	-	5,659,382	10,818,316	-	-	72,627,536	
2018	12,737,671	40,007,826	1,640,000	-	-	-	5,229,953	10,893,282	-	-	70,508,732	
2019	10,931,376	39,323,409	1,495,000	-	-	-	4,800,525	10,844,387	-	-	67,394,697	
2020	9,756,017	37,473,475	1,350,000	-	-	-	4,371,097	8,877,390	-	-	61,827,979	
2021	7,798,972	35,590,588	1,205,000	-	-	-	3,941,669	9,854,607	-	-	58,390,836	
2022	7,958,334	33,424,736	1,060,000	-	7,422,136	355,432	3,512,240	7,957,907	-	-	61,690,785	
2023	11,364,044	31,468,352	915,000	-	7,004,674	301,240	3,082,811	7,829,646	132,177	8,366	62,106,310	

Fiscal Year	Percentage of Personal Income ^a	Per Capita ^a
2014	0.76%	\$ 706.16
2015	0.68%	643.01
2016	0.63%	599.76
2017	1.32%	1,309.41
2018	1.24%	1,294.07
2019	1.12%	1,236.92
2020	0.96%	1,137.78
2021	0.83%	1,067.16
2022	0.89%	1,125.72
2023	not available	1,130.42

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

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

* Net of Unamortized bond premium and accrued interest

^NC Department of Transportation agreements excluded effective fiscal year 2021.

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 or Special Obligation Bonds (3)	Less: Amounts Available in Debt Service Fund	Total			
2014	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -
2015	-	-	-	0.00%	0.00%	-
2016	-	-	-	0.00%	0.00%	-
2017	40,109,743	-	40,109,743	0.01%	0.96%	723
2018	40,007,826	-	40,007,826	0.01%	0.90%	734
2019	39,323,409	-	39,323,409	0.02%	0.83%	722
2020	37,473,475	-	37,473,475	0.02%	0.71%	690
2021	35,590,588	-	35,590,588	not available	0.59%	650
2022	33,424,736	-	33,424,736	not available	not available	610
2023	31,468,352	-	31,468,352	not available	not available	573

Notes: Details regarding the City'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.
- (3) Net of related premiums, discounts, and adjustments.

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING Total Debt as of June 30, 2023

Name of Governmental Unit	Total Debt Outstanding	Percentage Applicable to City of Rocky Mount ¹	City of Rocky Mount Share of Debt
Direct Debt	\$ 51,053,310	100.0%	\$ 51,053,310
Total Direct Debt	<u>51,053,310</u>		<u>51,053,310</u>
Overlapping Debt			
Edgecombe County:			
School	3,302,000	0	528,320
Non General Obligation	26,246,586	0	4,199,454
Nash County Non Gen Obligation	<u>32,620,500</u>	1	<u>27,401,220</u>
Total Overlapping Debt	<u>62,169,086</u>		<u>32,128,994</u>
Total Direct and Overlapping debt	<u>\$ 113,222,396</u>		<u>\$ 83,182,304</u>

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 320,636	\$ 320,843	\$ 319,050	\$ 324,708	\$ 305,292
Total net debt applicable to limit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,815</u>	<u>\$ 36,815</u>
Legal debt margin	<u>\$ 320,636</u>	<u>\$ 320,843</u>	<u>\$ 319,050</u>	<u>\$ 287,893</u>	<u>\$ 268,477</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	11.34%	12.06%

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 314,805	\$ 327,550	\$ 336,563	\$ 335,436	\$ 344,311
Total net debt applicable to limit	<u>\$ 36,515</u>	<u>\$ 35,060</u>	<u>\$ 33,550</u>	<u>\$ 45,897</u>	<u>\$ 55,618</u>
Legal debt margin	<u>\$ 278,290</u>	<u>\$ 292,490</u>	<u>\$ 303,013</u>	<u>\$ 289,539</u>	<u>\$ 288,693</u>
Total net debt applicable to the limit as a percentage of debt limit	11.60%	10.70%	9.97%	13.68%	16.15%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$5,963,303,426
Debt Limit (8% of total assessed value) (1)	344,310,645
Debt applicable to limitation:	
Outstanding bonded debt at 6/30/23	30,325,000
Outstanding debt not evidenced by bonds at 6/30/23	30,469,586
Total Debt	<u>60,794,586</u>
Less: Statutory deductions (2 and 3)	
Bonds issued and outstanding for water purposes	367,903
Bonds issued and outstanding for sewer purposes	4,808,620
	<u>5,176,523</u>
Total amount of debt applicable to debt limit	<u>55,618,063</u>
Legal debt margin	<u>\$ 288,692,582</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

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

<u>Year</u>	<u>City Population (1)</u>	<u>Rocky Mount MSA(a) Personal Income (Millions) (2)</u>	<u>Rocky Mount MSA(a) Per Capita Income (2)</u>	<u>Rocky Mount Unemployment Rate (3)</u>	<u>Rocky Mount Retail Sales (Millions) (4)</u>
2014	56,325	\$ 5,201	\$ 35,086	10.2%	742.4
2015	56,325	5,321	36,311	8.9%	769.0
2016	55,958	5,357	36,667	7.5%	815.4
2017	55,466	5,503	37,839	6.4%	868.1
2018	54,486	5,697	39,416	6.3%	897.0
2019	54,486	6,013	41,793	6.1%	972.1
2020	54,341	6,440	44,808	16.1%	1,086.8
2021	54,716	7,006	48,812	10.5%	1,189.2
2022	54,801	6,959	48,298	7.4%	1,291.8
2023	54,941	not available	not available	6.5%	1,418.3

Sources:

- (1) NC Office of the State Budget and Management, U.S. Census Bureau
- (2) U.S. Department of Commerce - Bureau of Economic Analysis
- (3) NC Department of Commerce - Labor and Economic Analysis
- (4) NC Department of Revenue, corrected from prior versions of ACFR

(a) Metropolitan Statistical Area

CITY OF ROCKY MOUNT, NORTH CAROLINA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total MSA (a) Employment	Employees	Rank	Percentage of Total MSA (a) Employment
Pfizer (formerly Hospira)	1,000+	1	1.68%+	1,000+	1	1.62%+
Nash County Public Schools (formerly Nash Rocky Mount Schools)	1,000+	2	1.68%+	1,000+	3	1.62%+
Cummins-Rocky Mount Engines (Consolidated Diesel Co.)	1,000+	3	1.68%+	1,000+	4	1.62%+
Nash General Hospital (Nash Health Care Systems)	1,000+	4	1.68%+	1,000+	5	1.62%+
McLane Mid-Atlantic	500-999	5	0.84-1.68%	500-999	8	0.81%-1.62%
City of Rocky Mount	500-999	6	0.84-1.68%	1,000+	7	1.62%+
Walmart Associates	500-999	7	0.84-1.68%	500-999	9	0.81%-1.62%
Universal Leaf North America	500-999	8	0.84-1.68%	1,000+	6	1.62%+
Sara Lee Frozen Bakery Llc	500-999	9	0.84-1.68%			
The Cheesecake Factory	500-999	10	0.84-1.68%			
QVC of Rocky Mount				1,000+	2	1.62%+
Intercall Inc.				500-999	10	0.81%-1.62%
	<u>7,000-10,000</u>		<u>11.76%-16.80%</u>	<u>8,500-10,000</u>		<u>13.75%-16.17%</u>

Source: NC Department of Commerce

(a) Metropolitan Statistical Area

Principal employers most current data is for December 2022, MSA% based on Employed Workforce for March 2023 (59,518) and March 2014 (61,836)

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	107	110	119	112	120	112	118	125	131	136
Public Safety										
Police	199	198	198	199	191	187	197	179	163	182
Fire	145	140	144	146	140	140	141	144	140	131
Public Works	90	86	75	89	77	94	102	98	91	108
Engineering*	25	24	23	22	21	0	0	0	0	0
Parks & Recreation	62	59	58	59	57	55	59	55	54	56
Public Service	2	2	2	2	2	2	2	2	2	2
Economic Development	17	18	19	19	18	33	26	23	32	34
Electric	66	64	70	66	68	60	55	51	52	42
Gas	19	20	16	19	21	24	28	23	20	24
Water	44	43	43	43	41	39	43	41	44	38
Sewer	34	37	36	37	33	33	31	32	33	29
Storm Water	34	35	36	32	33	33	30	31	27	28
Total	844	836	839	845	822	812	832	804	789	810

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.

* Engineering is reported under Public Works beginning FY2019

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function/Program										
Police										
Physical arrests	9,014	8,171	7,831	6,517	6,005	6,367	5,870	4,751	3,866	3,790
Traffic violations	6,760	8,098	7,799	8,089	9,374	8,499	6,241	4,151	4,084	2,685
Fire										
Number of calls answered	9,672	9,884	10,455	10,661	10,628	10,833	8,872	6,201	8,925	9,302
Inspections	1,760	2,754	2,196	2,108	2,138	2,745	1,539	2,503	2,674	1,253
Water										
Number of meters	24,365	24,403	24,694	23,861	25,892	26,396	26,756	25,258	28,604	26,195
Avg daily consumption (millions of gallons)	9.50	7.90	9.00	8.49	8.20	8.50	8.00	8.40	8.85	8.61
Peak daily consumption (millions of gallons)	12.40	13.00	14.20	11.30	11.80	15.60	12.50	13.80	13	15
Wastewater										
Avg daily sewer treatment (millions of gallons)	11.6	10.3	11.3	11.6	10.96	14.12	11.90	14.48	9.76	10.02

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	73	66	72	72	71	67	66	70	71	68
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Public Works										
Streets (miles)	283	283	283	283	283	286	290	291	291	291
Streetlights	7,113	7,207	7,254	7,246	7,268	7,375	7,477	7,488	7507	7545
Recreation and Parks										
Parks	43	43	43	43	43	49	49	49	49	49
Acreage	482	506	506	506	506	580	580	580	580	580
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	36	36	36	36	36	26	24	20	16	16
Recreation centers	3	3	3	4	4	4	4	4	4	4
Water										
Water mains (miles)	494	494	497	497	497	505	506	506	507	497
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	742	744	744	740	742	751	744	748	749	756
Gas										
Distribution lines (miles)	535	542	550	555	555	555	557	556	558	559

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