

Compliance Letters



Fiscal Year Ended June 30, 2021

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2021

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2021, not presented here, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rocky Mount's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Rocky Mount's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rocky Mount's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 5, 2021

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rocky Mount's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Rocky Mount's major federal programs for the year ended June 30, 2021. The City of Rocky Mount's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and grants the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Rocky Mount's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Rocky Mount's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Rocky Mount's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rocky Mount complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Rocky Mount is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rocky Mount's internal control over compliance with the requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Rocky Mount's basic financial statements. We issued our report thereon dated October 5, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 5, 2021

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the City of Rocky Mount's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Rocky Mount's major state programs for the year ended June 30, 2021. The City of Rocky Mount's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and grants the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Rocky Mount's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Rocky Mount's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Rocky Mount's compliance.

Opinion on Each Major State Program

In our opinion, the City of Rocky Mount complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Rocky Mount is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rocky Mount's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Rocky Mount's basic financial statements. We issued our report thereon dated October 5, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for

the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 5, 2021

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name or Cluster</u>	<u>AL #</u>
Federal Transit Cluster	20.507
Community Development Block Entitlement Grant Cluster	14.218
Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

Powell Bill
Building Reuse Grant

2. Findings Related to the Audit of the Basic Financial Statements

None reported.

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None reported.

4. Findings and Questioned Costs Related to the Audit of State Awards

None reported.

CITY OF ROCKY MOUNT, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None reported.

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor / Pass - Through	Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor Number	Grant Award w/o match	Federal Expenditures 6/30/2021	State Expenditures 6/30/2021	Local Match/ Program Income Expenses 6/30/21	Pass-Through to subrecipients 6/30/2021
FEDERAL FINANCIAL ASSISTANCE PROGRAMS:								
U.S. Department of Transportation								
Direct Program -								
Federal Transit Administration:								
Federal Transit Cluster:								
Federal Transit - Formula Grants:								
Operating, Section 9 (50 fed /50 local)		20.507		\$ 1,018,569	\$ 392,124	\$ 98,031	\$ 1,536	\$ -
Capital, Section 5307-2A (80fed/10local/10smap) NC-2020-004-01		20.507		596,250	10,646	-	-	-
Capital, Section 5307-2A (80fed/10local/10smap)		20.507		849,766	232,730	58,182	-	-
COVID-19 Urban Capital CARES ACT		20.507		2,386,422	391,808	-	-	-
COVID-19 Urban Operating CARES ACT		20.507		1,980,902	603,875	-	-	-
Total Federal Transit Cluster				6,831,909	1,631,183	156,214	1,536	-
Passed through North Carolina Department of Transportation:								
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:								
Planning, Section 5303 (80/10/10) #21-08-115		20.505	36230.25.20.1	37,765	43,158	5,393	5,398	-
Formula Grants for Rural Areas and Tribal Transit Program:								
Rural, Section 5311 Admin 2020 #20-CT-043 (80/5/15)		20.509	36233.23.18.1	323,799	225,192	21,183	1,656,471	-
COVID-19 Rural Operating CARES ACT		20.509	49233.75.1	1,140,950	696,322	-	-	-
Total Formula Grants for Rural Areas and Tribal Transit Program				1,464,749	921,514	21,183	1,656,471	-
Federal Highway Administration:								
Highway Planning and Construction Cluster:								
Highway Planning and Construction:								
C-5549-PE Rocky Mount Sidewalks		20.205-1CL	51019.1.1	114,427	66,524	-	-	-
PWP Transportation Planning FY2020(80fed/20 local)		20.205	WBS 48269.1.17	175,000	144,721	-	52,915	-
Total Highway Planning and Construction Cluster				289,427	211,245	-	52,915	-
Total U.S. Department of Transportation				8,623,850	2,807,101	182,789	1,716,320	-
U.S. Department of Housing and Urban Development								
Direct Program -								
Community Development Block/Entitlement Grants Cluster:								
Community Development Entitlement Grant-2016		14.218		491,993	23,260	-	-	-
Community Development Entitlement Grant-2017		14.218		503,720	21,536	-	-	-
Community Development Entitlement Grant-2018		14.218		523,065	101,889	-	-	-
Community Development Entitlement Grant-2019		14.218		565,761	176,307	-	-	-
Community Development Entitlement Grant-2020		14.218		560,957	132,162	-	-	-
Community Development Entitlement Grant-2021		14.218		526,640	279,819	-	12,309	-
COVID-19 Community Development Entitlement Grant - CARES ACT		14.218		638,048	163,045	-	-	-
Total Community Development Block/Entitlement Grants Cluster				3,810,184	898,018	-	12,309	-
Home Investment Partnerships Program:								
Community Development Home Grant -2018		14.239		409,785	113,606	-	-	-
Community Development Home Grant -2019		14.239		597,456	8,352	-	-	-
Community Development Home Grant -2020		14.239		537,505	15,668	-	-	-
Community Development Home Grant -2021		14.239		579,112	57,911	-	19,136	-
Total Community Development/HOME GRANTS				2,123,858	195,537	-	19,136	-
Passed through NC Housing Finance Agency:								
Passed through NC Dept. of Commerce -								
Division of Community Assistance:								
Neighborhood Stabilization Program 08-N-1894		14.256	08-N-1894	2,547,141	-	-	419	-
Total U.S. Department of Housing and Urban Development				8,481,183	1,093,555	-	31,864	-

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor / Pass - Through	Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor Number	Grant Award w/o match	Federal Expenditures 6/30/2021	State Expenditures 6/30/2021	Local Match/ Program Income Expenses 6/30/21	Pass-Through to subrecipients 6/30/2021
U.S. Department of Treasury:								
	Direct Program - Treasury Equitable Sharing Program	21.016		-	2,003	-	-	-
Passed through Nash and Edgecombe Counties:								
	COVID-19 Coronavirus Relief Funds (CARES ACT) -Pass Through	21.019		793,141	665,162	-	-	-
Total U.S. Department of Treasury				793,141	667,165	-	-	-
U.S. Department of Justice:								
Direct Program -								
	Bulletproof Vest Partnership Grant 2018	16.607		13,652	235	-	-	-
	Bulletproof Vest Partnership Grant 2019	16.607		16,926	16,454	-	16,454	-
	Bulletproof Vest Partnership Grant 2020	16.607		10,404	190	-	190	-
	2018 Edward Byrne Memorial JAG (2018-DJ-BX-0250)	16.738		44,145	2,428	-	-	-
	2019 Edward Byrne Memorial JAG (2019-DJ-BX-0250)	16.738		37,794	23,516	-	-	-
	COVID-19 Coronavirus Emergency Supplemental Funding (DOJ)	16.034		121,771	54,548	-	-	-
	Justice Equitable Sharing Program	16.922		-	14,898	-	-	-
Total U.S. Department of Justice				244,692	112,269	-	16,644	-
US Department of Homeland Security, Federal Emergency Management Agency:								
	Assistance for Firefighters Grant	97.044	DHS-18-GPD-044-000-98	154,091	143,397	-	14,271	-
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4285 DR NC	1,065,157	371,770	123,923	-	-
Total Federal Emergency Management Agency				1,219,248	515,167	123,923	14,271	-
Total Federal Financial Assistance Programs				19,362,114	5,195,256	306,712	1,779,099	-
STATE FINANCIAL ASSISTANCE PROGRAMS:								
North Carolina Department of Transportation:								
Public Transportation Division:								
	COVID-19 DHHS Coronavirus Relief Funds - Vaccine Transportation			46,351	-	729	-	-
Division of Highways:								
	State Street-Aid Allocation Fund (Powell Bill)			795,680	-	5,260,082	-	-
Total N.C. Department of Transportation				842,031	-	5,260,811	-	-
North Carolina Housing Finance Agency:								
	NC Housing Trust Funds - Urgent Repair - URP			100,000	-	-	1,400	-
	NC Housing Trust Funds - Urgent Repair - URP21			100,000	-	100,000	90,607	-
	NC Housing Trust Funds - Urgent Repair - URP			100,000	-	90,463	-	-
Total North Carolina Housing Finance Agency				300,000	-	190,463	92,007	-
North Carolina Department of Commerce:								
	Building Reuse Grant - FFE			500,000	-	500,000	-	-
	Building Reuse Grant - XRAY			500,000	-	228,614	-	-
Total North Carolina Dept of Commerce				1,000,000	-	728,614	-	-
North Carolina Department of Environmental & Natural Resources:								
	North Carolina Science Museums Program			37,970	-	37,970	-	-
	North Carolina Parks and Recreation Trust Fund			350,000	-	30,073	30,073	-
Total North Carolina Dept of Natural and Cultural Resources				387,970	-	68,043	30,073	-
Total State Assistance Programs				2,530,001	-	6,247,931	122,080	-
TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS				\$ 21,892,115	\$ 5,195,256	\$ 6,554,643	\$ 1,901,179	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Grantor / Pass - Through</u>	<u>Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor Number</u>	<u>Grant Award w/o match</u>	<u>Federal Expenditures 6/30/2021</u>	<u>State Expenditures 6/30/2021</u>	<u>Local Match/ Program Income Expenses 6/30/21</u>	<u>Pass-Through to subrecipients 6/30/2021</u>
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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the City of Rocky Mount under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Rocky Mount, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Rocky Mount.

Note 2 - Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Rocky Mount has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.