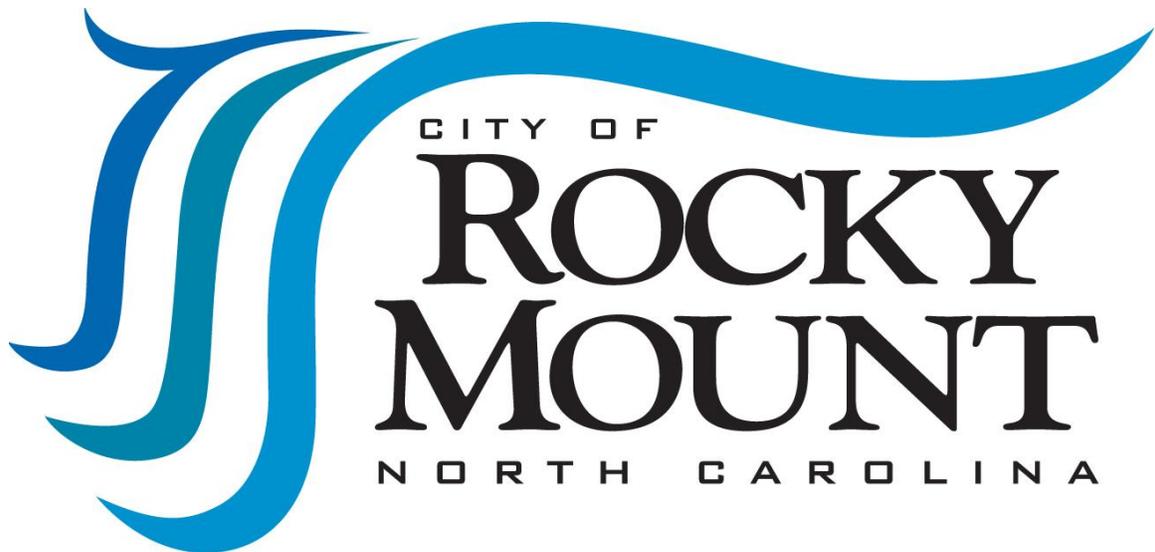


# **Comprehensive Annual Financial Report**



**Fiscal Year Ended June 30, 2012**



**CITY OF ROCKY MOUNT,  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2012**

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



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**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

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# INTRODUCTORY SECTION

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





October 15, 2012

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Rocky Mount, North Carolina (City) for the fiscal year ended June 30, 2012.

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

The City's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2012 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**

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The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is located in eastern North Carolina in the coastal plains area. The City has a population of approximately 57,433, and straddles the Nash and Edgecombe County line, encompassing 44 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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 page 39 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 103. 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 120.

## FACTORS AFFECTING FINANCIAL CONDITION

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

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

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.2% as of June 30, 2012 compared to last year's rate of 13.7%. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services. Rocky Mount is not experiencing the economic recovery to the same extent as most of our metropolitan counterparts in North Carolina and nationwide. Noticeable differences in our local business and industrial base, noted recently in the Twin County Competitiveness Study commissioned by the City, Nash County and Edgecombe County, place us at a competitive disadvantage with those segments of the national and global marketplace (especially technology and biomedicine) that are resuming pre-recession growth patterns. At the same time, Rocky Mount received a revised reduction for in-City population from the 2010 Census. Prior to the Census, the State of North Carolina projected Rocky Mount's population at over 60,000. However, the 2010 Census number is a 3% increase over the 2000 Census. This reduction in the City population has a significant, downward impact on revenues shared between Rocky Mount, the State, and Nash and Edgecombe Counties. This is especially true for Local Option Sales Tax, which is distributed on a per capita basis.

The metropolitan area has seen some signs of growth since the start of 2012, tied often to the delivery of incentive packages coordinated through the North Carolina Department of Commerce and our local Carolinas Gateway Partnership. Recent economic investments include the expansion of the pharmaceutical manufacturer, Hospira. Hospira is a leading provider of injectable medicines and infusion technologies located in Rocky Mount, currently employing 2,400 people. The expansion is partly possible through a State grant from the One North Carolina fund. The grant will be based on the company investing \$85 million over the first 3 years of the project. Hospira plans to create 200 additional jobs and make new capital investments for the construction, improvement, upfitting, and equipping of existing and new facilities. The economic development agreement from Nash County and the City of Rocky Mount has a value of up to \$12.5 million over the next 10 years. The potential investment by Hospira into the community could grow to \$270 million over the same time period. The average annual wage for the new jobs will be \$51,780, plus benefits. Additionally, Sanderson Farms has announced plans to locate a new poultry processing plant and hatchery in Nash County. They are the 3<sup>rd</sup> largest poultry producer in the United States. The proposed facilities will create 1,100 new jobs and a

capital investment of \$91.4 million into the local economy. The economic impact of this project is estimated to bring 2,400 jobs and \$5.5 billion over a 10 year period to the region.

In an initiative to stimulate economic growth, the Carolina Gateways Partnership, of Rocky Mount, and the University of North Carolina at Chapel Hill's Business School have teamed together. The Twin County Business Growth Initiative has helped two companies in the Rocky Mount area identify and connect with community resources needed to hire and train new employees and retain existing employees. The model that was used is hoped to be replicated to help other companies and communities. The model includes 3 components which are: (1) identifying high-potential companies, (2) mobilizing a community action team, and (3) assessing business needs. This initiative is a long-term effort to address economic development in Nash and Edgecombe counties.

The City of Rocky Mount has many facilities to accommodate sporting events and the local economy is benefiting from the use of these. The City has been awarded the rights to the USA South's spring sports championships beginning in 2013. The two-year agreement will feature the conference's championship banquet and conference tournaments in six sports held in Rocky Mount and the surrounding areas.

**Long-term financial planning.** The City is committed to a long term community redevelopment program to bring back life and energy to its charming historic downtown community. Within the downtown area, is a historic area known locally as the Douglas Block. The City completed Phase 1 of the Douglas Block redevelopment project last spring. The redevelopment of the Douglas Block included a budget of over \$10 million with funding provided by federal grants, a federal Section 108 loan which will be paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. The Douglas Block project continues to expand as more residential and commercial tenants are occupying the spaces within the renovated buildings.

In addition, the City continues to work to improve neighborhoods and foster enhanced economic opportunity for distressed local residents and has acquired property for the redevelopment of the Beal Street (Happy Hill) area. This includes the demolition of existing housing that is in unsatisfactory condition, re-combining lots and soliciting private developers to re-invest with new residential construction. The budget for the Beal Street Redevelopment project is over \$900,000 over the next five years and will include funding from federal grants in addition to local funds. In addition, the City is continuing with the plan for neighborhood redevelopment projects. The project involves redevelopment through stabilization of the central city neighborhoods, focusing primarily on Claremont Apartments on Raleigh Road, Edgecombe Meadows, and Holly Street. Redevelopment will consist of purchasing property and demolishing structures to make way for new development. The project has a budget of approximately \$500,000 over the next five years. This is in addition to federal funds received in the amount of over \$2 million to assist with neighborhood stabilization projects. The City also has plans for a neighborhood residential weatherization program. In response to citizen concerns and the findings of the Twin County Competitiveness study, the City plans to supplement existing residential weatherization efforts (funding by external sources) with City-funded assistance. The project has a budget of \$850,000 over the next five years. These funds will be used to expand eligibility and complete rehabilitations for City residents with a focus on reducing utility consumption and related costs. The City has plans to renovate the classroom portion of Booker T. Washington High School. The funding is expected to come from a state grant, Historic and New Market tax credits, debt financing proceeds, and local funds. This project will preserve a historic property. The total cost of the project is expected to be around \$8,150,000 over the length of the project which is expected to exceed more than 5 years. The City also intends to induce investment in housing in inner-city neighborhoods by non-profit agencies ranging from new construction to repairs. The project has a budget of \$750,000 over the next 5 years. The City continues its work on the downtown streetscape project that includes transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project is budgeted at over \$6.5 million and will utilize funding from a federal grant, Powell Bill matching funds, in addition to local

funds. Construction is nearing completion and it is expected that the increased activity downtown will create the interest that will increase private investment in downtown that will help to restore the area as a significant economic contributor to Rocky Mount.

This year continued to present challenges for the City due to the economic volatility and downturn which created immediate impacts with respect to general government revenues, including taxes, fees, and investment earnings. Recognizing the presence of continued economic problems during the current fiscal year, City staff recommended and implemented \$1.2 million in current budget reductions to offset any anticipated shortfalls in revenue. In addition, it is necessary to eliminate employee wage increases for the second consecutive budget year. The budget reductions included reductions in operating accounts, freezing and maintaining many vacant staff positions, and deferrals of capital projects. The City departments have done an excellent job carefully managing their resources. Departments have carefully managed positions and held vacancies when possible, managed overtime usage, monitored supplies and equipment, and employed fuel conservation measures. Our long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities has enabled us to respond effectively to our current climate and upcoming demands with minimal increases to the financial burden of our citizens.

The next year budget reflects funding to support and implement City Council’s goals. The goals reflect community economic development strategies which will serve to grow the City, spur private investment, and lay a foundation for bold and transformational action. Funds are included for a market and feasibility study for an Events Center in the downtown area. The study will determine the market for such a facility, funding alternatives, marketing strategies and will make recommendations for other catalytic projects. Also, the budget includes funds to engage a consultant to identify strategies to improve and create incentives for housing improvements in the community. In addition, the City is providing regional leadership for “Twin Counties Visioning for a Better Life” enabling hundreds of residents throughout the Twin Counties to participate in an effort to develop a comprehensive strategic plan to address economic redevelopment for all.

**Cash management policies and practices.** The deposits of the City are made in board-designated official depositories and are collateralized as required by State statute. The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by statutes or other legal reasons. Cash temporarily idle during the year was invested in the North Carolina Capital Management Trust, an SEC registered mutual fund, and public money market funds held at banking institutions. The average yield on all cash and investments was 0.15%. All of the City’s investments at June 30, 2012 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2012, the City’s cash resources were invested as follows:

Cash on hand	\$ 9,125	.01%
Cash in traditional bank accounts	6,338,198	13.18%
Money Market funds	5,844,986	12.16%
Certificate of Deposit	3,000,000	6.24%
North Carolina Capital Management Trust	<u>32,892,374</u>	68.41%
Total	<u>\$ 48,084,683</u>	

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

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

**Pension and other postemployment benefits-** The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

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

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 6.95% for employees not engaged in law enforcement and 7.05% for law enforcement officers. The State announced that the employer contribution rates would decrease for fiscal year 2013 to 6.74% for employees not engaged in law enforcement and 6.77% for law enforcement officers. The decrease from the prior year will be a much needed relief to the City and will allow those funds to be used to fund other budgeted expenditures.

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 6 of the financial statements. Currently, 208 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The City is currently funding the benefit payments on a pay as you go basis. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2011 was 30 years.

The City also provides death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The City's contribution includes coverage for active employees and eligible retirees. Additional information on the City's pension arrangements and postemployment benefits can be found in note 6 of the financial statements.

## AWARDS AND ACKNOWLEDGEMENTS

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The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the eighteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement; the City published an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

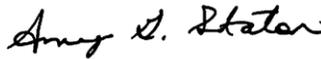
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2011. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

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

Respectfully submitted,



Charles W. Penny  
City Manager



Amy G. Staton  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rocky Mount  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Davison*

President

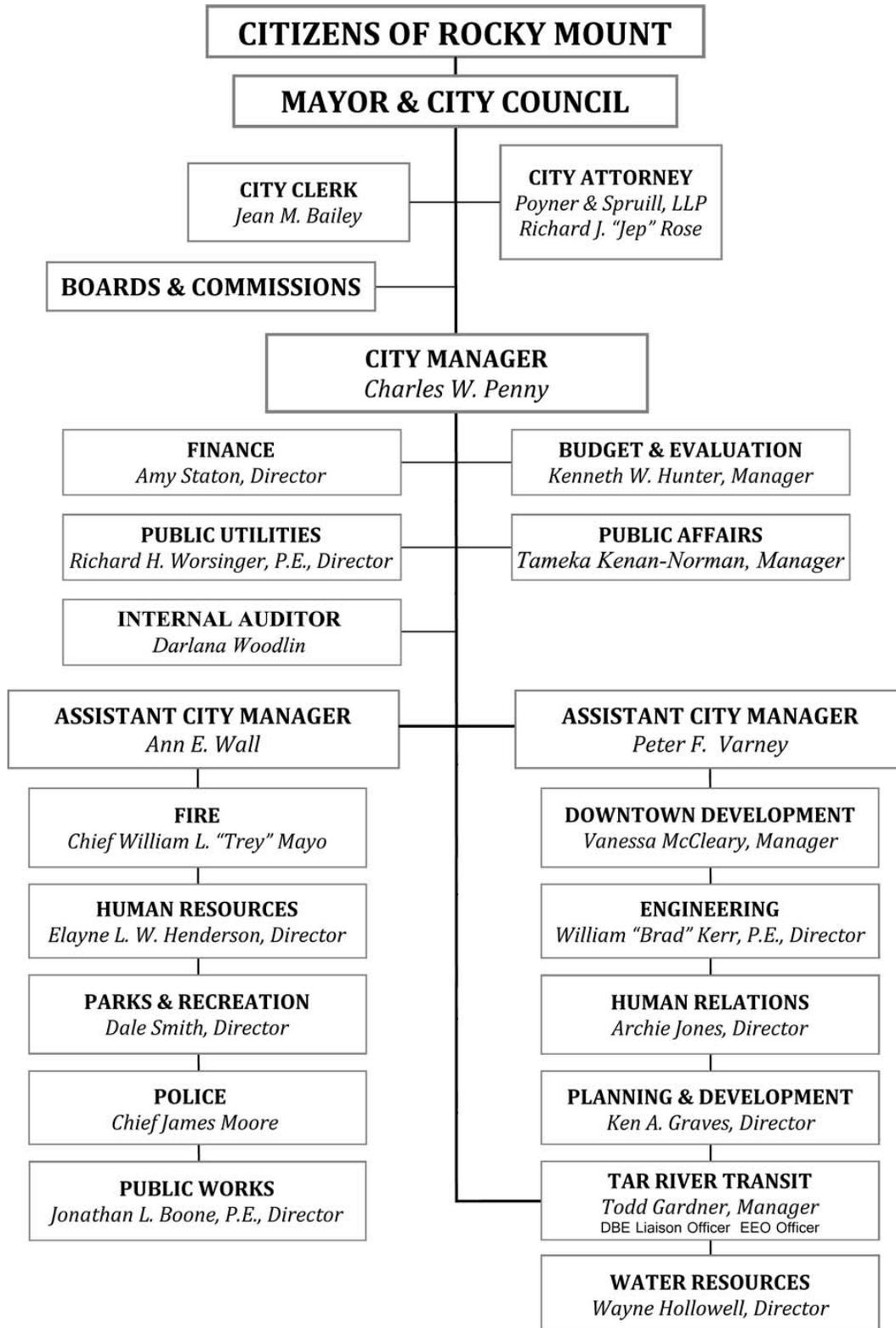
*Jeffrey R. Emer*

Executive Director



# Organization Chart

revised October 2012



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

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2012**

### **CITY COUNCIL**

**David W. Combs, Mayor  
Reuben C. Blackwell, IV, Mayor Pro-tem**

**Andre D. Knight**

**W.B. Bullock**

**Tom Rogers**

**Lamont Wiggins**

**Lois Watkins**

**Chris Carroll Miller**

### **CITY ADMINISTRATION**

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

## **FINANCIAL SECTION**

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



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

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rocky Mount's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2012, and the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2012, on our consideration of the City of Rocky Mount's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of the City of Rocky Mount, North Carolina as a whole. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
October 15, 2012

## **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, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory section and begins on page 1.

### Financial Highlights

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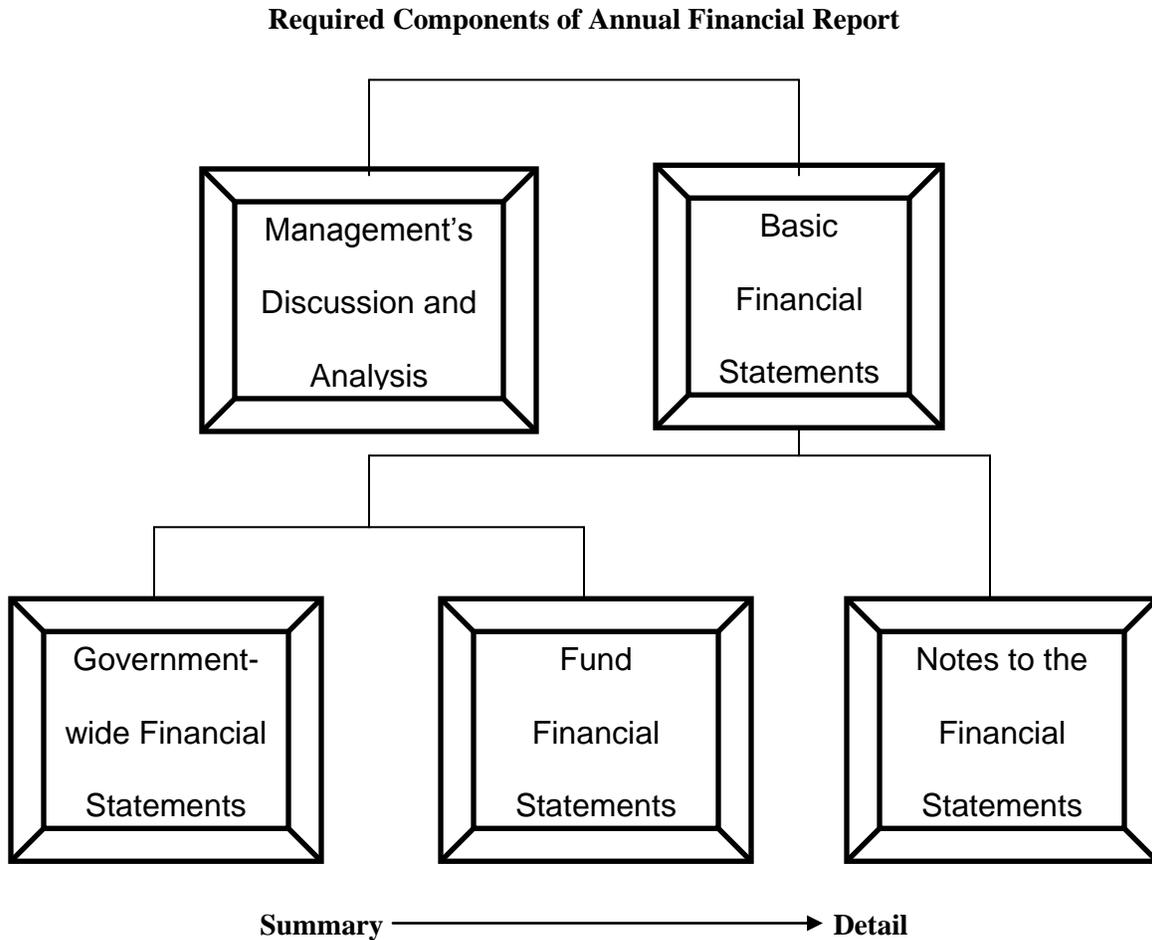
- The assets of the City exceeded its liabilities at the close of the fiscal year by \$279,569,006. The assets of the governmental activities exceeded liabilities by \$116,481,845 and the assets of the business-type activities exceeded liabilities by \$163,087,161.
- The government's total net assets grew by 2.8% or an increase of \$7,502,540 due to growth in both governmental and business-type activities net assets.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$25,356,972, a decrease of \$589,748 from the prior year. Approximately, 75% of this total amount or \$19,008,889 is nonspendable or restricted.
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net assets of \$163,087,161 an increase of \$2,523,195.
- At the end of the current fiscal year, total unassigned fund balance for the General Fund was \$6,987,165, or 13% of total general fund expenditures for the fiscal year.
- The City maintained its A1 bond rating from Moody's Investors Services, and an A+ from Standard and Poor's Corporation for the 15th consecutive year.

### Overview of the Financial Statements

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

**Figure 1:**



### **Basic Financial Statements**

The first two statements (pages 31 through 34) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 35 through 49) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

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

## Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, 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 final category is the component unit. Although legally separate from the City, the City of Rocky Mount Theatre, LLC is important to the City because the City exercises control over the advisory board by appointing members. The City has the ability to impose its will on the Theatre, and it has a financial burden including being obligated to finance the deficits and provides financial support to the Theatre.

The government-wide financial statements are on pages 31 through 34.

## Fund Financial Statements

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

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

and the *statement of activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, gas, water, sewer and stormwater activities. With the exception of the stormwater fund, all other proprietary funds are considered to be major funds of the City.

**Agency funds** – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for agency funds is much like that used for proprietary funds.

## Notes to the Financial Statements and Other Information

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**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 50 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 91 of this report.

## Government-Wide Financial Analysis of the City of Rocky Mount

### Net Assets

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

**Figure 2:**

### The City of Rocky Mount's Statement of Net Assets

	Governmental Activities 2012	Governmental Activities 2011	Business-Type Activities 2012	Business-Type Activities 2011	Total 2012	Total 2011
Current and other assets	\$ 36,567,411	\$ 35,589,024	\$ 53,755,249	\$ 54,681,916	\$ 90,322,660	\$ 90,270,940
Capital assets	107,296,994	104,478,488	143,145,918	137,901,545	\$ 250,442,912	\$ 242,380,033
<b>Total assets</b>	<b>143,864,405</b>	<b>140,067,512</b>	<b>196,901,167</b>	<b>192,583,461</b>	<b>340,765,572</b>	<b>332,650,973</b>
Long-term liabilities	18,012,980	20,369,486	20,809,653	19,658,330	38,822,633	40,027,816
Other liabilities	9,369,580	8,195,526	13,004,353	12,361,165	22,373,933	20,556,691
<b>Total liabilities</b>	<b>27,382,560</b>	<b>28,565,012</b>	<b>33,814,006</b>	<b>32,019,495</b>	<b>61,196,566</b>	<b>60,584,507</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	94,306,305	90,345,292	127,857,818	123,694,316	222,164,123	214,039,608
Restricted	17,202,949	9,442,921	-	-	17,202,949	9,442,921
Unrestricted	4,972,591	11,714,287	35,229,343	36,869,650	40,201,934	48,583,937
<b>Total net assets</b>	<b>\$ 116,481,845</b>	<b>\$ 111,502,500</b>	<b>\$ 163,087,161</b>	<b>\$ 160,563,966</b>	<b>\$ 279,569,006</b>	<b>\$ 272,066,466</b>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$279,569,006 as of June 30, 2012. The City's net assets increased by \$7,502,540 for the fiscal year ended June 30, 2012. The largest portion of net assets, 79.5%, reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net assets, 6.2% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, 14.4% may be used to meet the government's ongoing obligations to citizens and creditors.

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

- There are three components of net assets: capital assets, restricted, and unrestricted. There was an increase of \$8,124,515 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 4% of total current year expenses. Restricted net assets increased by \$7,760,028 and unrestricted net assets decreased by \$8,382,003 compared to the prior year. Since total net assets grew by \$7,502,540 or 4% of total current year expenses, the majority of the increase in net asset growth is due to the growth in invested in capital assets which is a direct result of a

significant increase in capital assets and an increase in debt outstanding related to capital items which was offset by an increase in unspent lease escrow related to capital items. The increase in restricted net assets is primarily the result of an increase in the amount restricted by State statute primarily due to large grant receivables in the special revenue and capital projects funds.

- The total increase in net assets was \$7,502,540 for the year. The total increase in net assets for the year was less than the growth in net assets from the prior year. The amount of growth was \$2,844,484 less than the prior year. This was influenced by a reduction in revenues in total by \$5,177,116 or 2.5% compared to the prior year and a reduction in expenses in total by \$2,332,632 or 1.2% compared to the prior year. Charges for service had a decrease of \$11,176,709 or 7% over the prior year which was primarily due to the mild weather conditions this past summer and winter, along with the energy conservation and lack of industrial load growth which resulted in a reduction in utility sales for the electric fund of approximately \$6,390,044. There was growth in operating grants and contributions of \$3,744,817 or 44.7% over the prior year. There was also an increase in capital grants and contributions of \$870,142 or 15.1%. The increase was primarily due to the grant funds received in response to emergency management related expenses incurred with Hurricane Irene which affected the City in August of 2011. There was a significant decrease in the community revitalization grants compared to the prior year due to the completion of phase 1 of the Douglas Block redevelopment project and a reduced level of spending related to the neighborhood stabilization program (NSP) and other community redevelopment projects. The NSP reduction is related to the grant coming to a close. Other community redevelopment project reductions are related to reduced federal allocations of funding. There were increases in the business-type activities related to grants and contributions as a result of the completion of the Highway 301 street lighting project performed by the Electric fund which was funded by NCDOT.
- Ad valorem tax revenue increased by \$249,208 compared to the prior year. The tax rate in the current year is \$0.55, per \$100 of assessed value, which did not change from the prior year. The increase in revenue for the current year compared to the prior year is primarily the result of improved collections efforts by the City and an increase in the total property valuation of 5,292,348 compared to the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.25% for property excluding motor vehicles. The statewide average for other municipalities with an electric system and with a population of 50,000 and above is 97.61%. The statewide collection percentage is based on 2011 statewide data and is the most recent published percentage. The City continues to be slightly below the statewide average; however, the City was able to get closer to the statewide average with the improved collections efforts put into place during the year. The City is within 1.36% of the statewide average which was an improvement compared to the prior year difference of 2.8%. The collection percentage continues to be impacted by rising unemployment and home foreclosures.

## Changes in Net Assets

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

**Figure 3:**

### City of Rocky Mount Changes in Net Assets

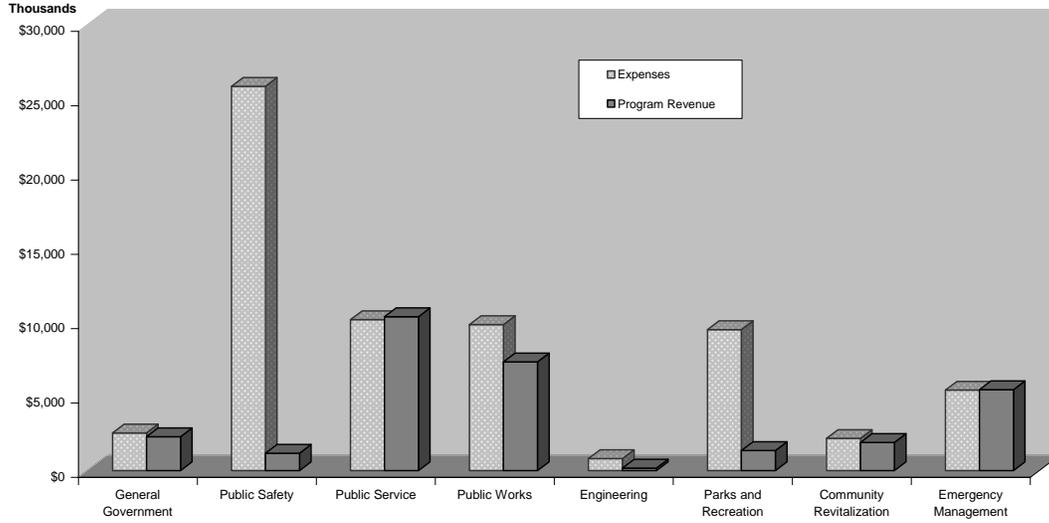
	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011	Total 2012	Total 2011	City of Rocky Mount Theatre LLC 2012	City of Rocky Mount Theatre LLC 2011
Revenues:								
Program revenues:								
Charges for services	\$ 12,476,042	\$ 11,630,280	\$ 134,965,583	\$ 146,988,054	\$ 147,441,625	\$ 158,618,334	\$ -	\$ -
Operating grants and contributions	12,126,643	8,382,242	2,916	2,500	12,129,559	8,384,742	5,584	5,574
Capital grants and contributions	5,408,019	5,038,384	1,225,693	725,186	6,633,712	5,763,570	-	-
General revenues:								
Property taxes	21,778,008	21,528,800	-	-	21,778,008	21,528,800	-	-
Other taxes	13,191,468	12,816,702	-	-	13,191,468	12,816,702	-	-
Other	3,702,319	2,688,285	218,464	471,838	3,920,783	3,160,123	-	-
<b>Total Revenues</b>	<b>68,682,499</b>	<b>62,084,693</b>	<b>136,412,656</b>	<b>148,187,578</b>	<b>205,095,155</b>	<b>210,272,271</b>	<b>5,584</b>	<b>5,574</b>
Expenses:								
General Government	2,541,551	5,865,807	-	-	2,541,551	5,865,807	-	-
Public safety	25,859,954	25,816,170	-	-	25,859,954	25,816,170	-	-
Parks and Recreation	9,487,899	9,117,886	-	-	9,487,899	9,117,886	-	-
Public Works	9,825,999	7,197,559	-	-	9,825,999	7,197,559	-	-
Engineering	811,304	186,997	-	-	811,304	186,997	-	-
Public Service	10,161,005	9,368,808	-	-	10,161,005	9,368,808	-	-
Emergency Management	5,418,215	-	-	-	5,418,215	-	-	-
Community Revitalization	2,170,571	4,422,615	-	-	2,170,571	4,422,615	-	-
Interest on long-term debt	492,656	292,268	-	-	492,656	292,268	-	-
Electric	-	-	88,705,142	92,056,649	88,705,142	92,056,649	-	-
Gas	-	-	18,345,011	22,445,683	18,345,011	22,445,683	-	-
Water	-	-	9,328,711	9,191,247	9,328,711	9,191,247	-	-
Sewer	-	-	11,091,914	10,884,607	11,091,914	10,884,607	-	-
Storm Water	-	-	3,352,683	3,078,951	3,352,683	3,078,951	-	-
Component unit	-	-	-	-	-	-	268,946	268,936
<b>Total Expenses</b>	<b>66,769,154</b>	<b>62,268,110</b>	<b>130,823,461</b>	<b>137,657,137</b>	<b>197,592,615</b>	<b>199,925,247</b>	<b>268,946</b>	<b>268,936</b>
Change in net assets before transfers	1,913,345	(183,417)	5,589,195	10,530,441	7,502,540	10,347,024	(263,362)	(263,362)
Transfers	3,066,000	4,560,000	(3,066,000)	(4,560,000)	-	-	-	-
<b>Change in Net Assets</b>	<b>4,979,345</b>	<b>4,376,583</b>	<b>2,523,195</b>	<b>5,970,441</b>	<b>7,502,540</b>	<b>10,347,024</b>	<b>(263,362)</b>	<b>(263,362)</b>
Net Assets, July 1	111,502,500	107,125,917	160,563,966	154,593,525	272,066,466	261,719,442	251,869	515,231
<b>Net Assets, June 30</b>	<b>\$ 116,481,845</b>	<b>\$ 111,502,500</b>	<b>\$ 163,087,161</b>	<b>\$ 160,563,966</b>	<b>\$ 279,569,006</b>	<b>\$ 272,066,466</b>	<b>\$ (11,493)</b>	<b>\$ 251,869</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$4,979,345, representing 66.4% of the total addition to the City's total net assets. Key elements of the current year governmental activities change in net assets are as follows:

- Total revenues for governmental activities increased \$6,597,806 or 11% compared to the prior year. Charges for services had an increase of \$845,762 or 7% compared to the prior year. This was primarily a result of rate increases for the solid waste operations that was implemented during the year which included an increase of \$0.75 per month for residential solid waste collection service (residential garbage) and an increase of \$0.25 per month for residential recycling fees, and the approximate 3% increase in solid waste transfer station tonnage fees for haulers at the Transfer Station. Operating grants and contributions and capital grants and contributions had an increase of \$3,744,401 or 45% and \$369,635 or 7% in revenue compared to the prior year, respectively. As discussed, these net increases in grants and contributions compared to the prior year were related to projects surrounding increased activities in emergency management related to the restoration efforts as a result of Hurricane Irene and the decline in community revitalization grants and contributions due to the completion of phase 1 of the Douglas Block redevelopment project and reduced available funding on neighborhood stabilization and other community redevelopment grants. Property tax revenue increased by \$249,208 compared to the prior year, as mentioned previously, due to the increase in total property valuation and the improved collections efforts by the City. Other tax revenues had an increase of \$374,766 or 3% compared to the prior year which was related to an increase in local option tax revenues for the year.
- Total expenses for governmental activities increased \$4,501,044 or 7%. General government expenses decreased by \$3,324,256 or 57% and Public works expenses increased by \$2,628,440 or 37% as a result of the full accrual impact related to capital outlay for capital assets and depreciation expenses being allocated to the functions. Emergency management expenses increased by \$5,418,215 as a result of Hurricane Irene and the costs involved in restoration after the storm. Community revitalization expenses decreased by \$2,252,044 or 51% due to the completion of phase 1 of the Douglas Block redevelopment project and also reduced level of available spending related to the neighborhood stabilization and other community redevelopment grants as compared to the prior year. Public service expenses increased by \$792,197 or 8% primarily related to an increase in expenses related to the Downtown Streetscape project and a decrease in the funding spent on Powell bill expenses.

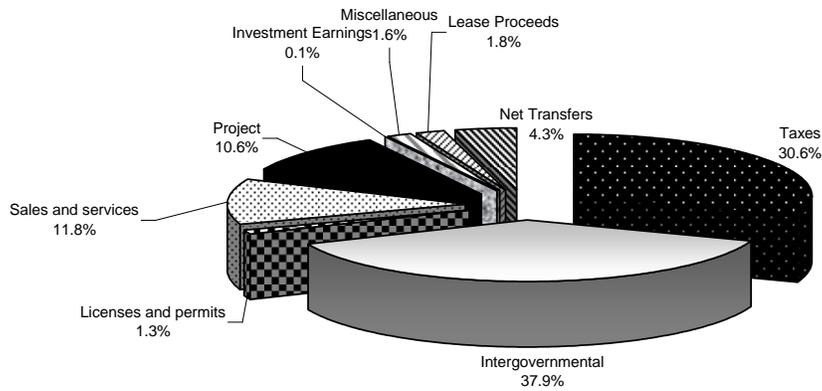
**Figure 4:**

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



**Figure 5:**

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

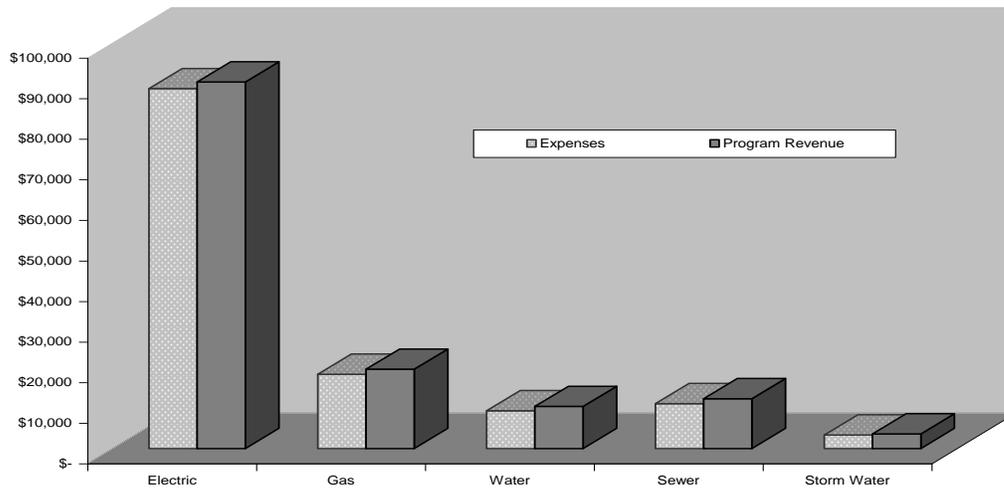


**Business-type activities:** Business-type activities increased the City's net assets by \$2,523,195, representing 33.6% of the growth in the City's total net assets. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities decreased \$11,774,922 or 8% compared to the prior year. Charges for services for business-type activities decreased by a combined \$12,022,471 or 8% over the prior year. Electric revenue decreased by \$6,390,044 or 7% over the prior year due to mild conditions this past summer and winter, along with energy conservation and lack of industrial load growth. Natural gas revenue decreased \$4,504,601 or 19% from the prior year due to a decreased demand from most customers as a result of mild weather this past year. The market rates were volatile, and the City passed the decreases to our gas customers through a purchased gas adjustment. Water revenue decreased \$1,330,495 or 11% compared to the prior year primarily due to a significant reduction in usage by an industrial customer. Sewer revenue decreased by less than 1% from the prior year. Stormwater revenue increased \$251,746 or 7% over the prior year primarily due to a substantial increase in the number of parking lot spaces for a large industrial customer that caused the billing for impervious areas to increase. Capital grants and contributions for business-type activities increased by \$500,507 or 69% compared to the prior year primarily due to the completion of the Highway 301 street lighting project performed by the Electric fund which was funded by NCDOT.
- Operating expenses for business-type activities decreased a combined 6,833,676 or 5% compared to the prior year. The operating expenses for electric decreased by 4% over the prior year primarily due to a reduction in power purchases. Expenses for natural gas, decreased by 18% due to lower wholesale gas purchases, and water, sewer, and stormwater increased by 1%, 2% and 9%, respectively, due to increases in operating expenses.
- The business-type activities transferred net funds to the governmental funds totaling \$3,066,000. This is a decrease of \$1,494,000 compared to the prior year primarily due to transfers made, in the prior year, to the downtown streetscape project to cover each utility's cost share in the project whereas no transfers were made for this purpose in the current year.
- The net change in assets for all business-type activities for the current fiscal year was an increase of \$2,523,195. All business-type operations resulted in net operating income after transfers. The change in net assets for Electric, Gas, Water, Sewer, and Stormwater was \$200,244, \$7,939, \$588,675, \$1,261,259, and \$465,078, respectively. The growth in net assets for the current year was \$3,447,246 less than the growth in net assets for the prior year.

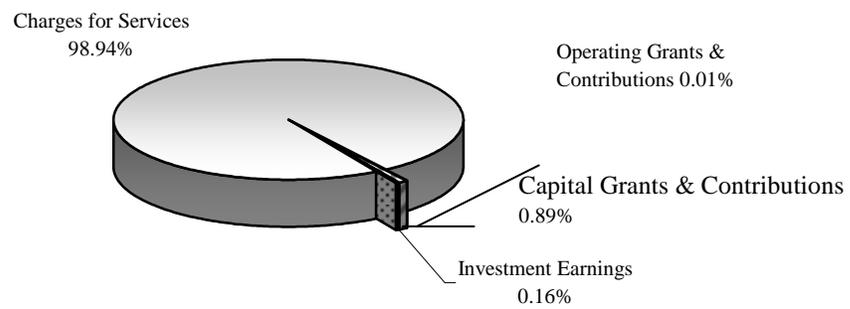
**Figure 6:**

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



**Figure 7:**

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



## Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$25,356,972, a decrease of \$589,748 in comparison with the prior year. Of this amount, \$3,775,596, or 15% is unassigned fund balance. The unassigned fund balance is available for spending at the government's discretion. Fund balance is categorized into four other categories, nonspendable, restricted, committed, and assigned. 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 \$512,622. The current year fund balance that has been restricted is \$18,496,267. The current year fund balance that has been committed is \$767,850. The current year fund balance that has been assigned is \$1,804,637. A portion of the assigned fund balance, \$963,473, is designed for subsequent year's expenditures.

The general fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,987,165, while total general fund balance was \$20,819,712. 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 13% of total General Fund expenditures, while total fund balance represents 39% of that same amount, both comparable to the prior year.

At June 30, 2012, the governmental funds of the City reported a combined fund balance of \$25,356,972, a 2% decrease over last year. Included in this change in fund balance is an increase in fund balance in the General Fund by \$1,875,086 with a decrease of \$2,464,834 in the nonmajor governmental funds, with Special Revenue Funds decreasing \$248,760 and Capital Project Funds decreasing \$2,216,074. The General Fund increase is mostly due to decreased spending related to a mid-year budget reduction and increased tax collections and sales tax revenue. Within the Special Revenue Funds, the fund balance for all funds decreased with the exception of Public Transportation and Emergency Management. The fund balance in the General Capital Development Projects Fund decreased mainly as a result of increased expenses related to the downtown streetscape project in the current year. 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 more than the budget amount by \$1,193,762. This was primarily because Intergovernmental revenues were more than budget by

\$1,093,006. The amount received for local option sales tax was more than the budget by \$450,496. In addition, State grants were more than budget by \$687,708 due to receiving grant funds related to NCDOT projects where the revenues were not budgeted in the current year. Ad valorem taxes were more than budget by \$248,586 due to improved collections of revenue for property taxes compared to the prior year and an increase in the total property valuation compared to the prior year. Investment earnings for the general fund were less than budget by \$60,752 due to the fact that returns on investments continue to be lower than expected for the current year.

The actual operating expenses for the General Fund were less than the budget amount by \$4,366,529. Mid-year reductions in operating and capital expenses were planned to offset any possible shortfalls in revenue and as an attempt to increase fund balance for the General Fund. The most significant savings were realized due to money appropriated to projects that was unspent at fiscal year end. General government departments have expenditures less than the budget of \$1,298,180. Within the general government departments, the Finance department has expenditures less than the budget of \$360,664. Much of this is related to unspent budget in maintenance and service contracts, computer software, and capital outlay for computer equipment. Of this amount, \$50,000 was re-appropriated in 2013. The Mayor and council department has expenditures less than the budget of \$209,704 which is mainly due to the \$200,000 contingency budgeted but not expended. The Planning and Development department has expenditures less than the budget of \$371,402 which is mainly due to the funds budgeted for economic redevelopment and the Twin County Visioning study not being fully expended as of year end and a reduction in wages and benefits costs due to staff vacancies. The Public works department has expenditures less than the budget of \$938,403 in part due to approximately \$493,029 for unspent capital items and \$177,005 in unspent salaries and benefits within the Public works department. Of the amount unspent on capital items, \$352,231 was re-appropriated to 2013. There were savings within Public service of \$1,355,949 for capital outlay as a result of not spending allocated Powell Bill funds. Of this amount, \$349,444 was re-appropriated to fiscal year 2013 for Public service.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets at the end of the fiscal year amounted to \$11,663,086 for the Electric Fund, \$8,063,847 for the Gas Fund, \$6,709,995 for the Water Fund, \$6,610,984 for the Sewer Fund, and \$2,181,431 for the Stormwater Fund. The total growth of net assets for each fund was \$200,244, \$7,939, \$588,675, \$1,261,259, and \$465,078 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## **Capital Asset and Debt Administration**

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**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totals \$250,442,912 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles, and infrastructure for electric, gas, water, sewer and stormwater services.

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

## **Governmental Funds:**

### **Additions**

- Construction in progress for Downtown Streetscape project \$3,201,713. Total expended over the life of the project \$4,139,760
- Environmental Services (4) 2012 Crane Carriers \$784,999
- Sidewalk enhancements \$513,505
- Fire Department (75) Air Paks \$443,790
- City Hall HVAC renovation \$435,710
- Transit (9) 2011 Vans \$369,251
- Compressed Natural Gas (CNG) Fueling station \$297,562
- Police Department (9) 2012 Dodge Chargers \$208,007
- Land Acquisition for Redevelopment Commission \$154,781
- Streets pothole patcher freightliner \$148,433
- Booker T. Washington building window replacement \$142,563
- Administrative Complex and Senior Center Lighting \$127,640
- Environmental Services Labrie Helping Hands auto refuse body \$126,258
- Warehouse re-roofing \$125,851

## **Proprietary Funds:**

### **Additions**

- Construction in progress for Wastewater Treatment Plant oxygen system \$1,563,911. Total expended over the life of the project \$1,658,911.
- Gas main Installations \$742,206
- Electric Department Highway 301 street lighting project \$711,501
- Construction in progress for Electric Department Downtown Streetscape construction \$689,841. Total expended over the life of the project \$689,841.
- Construction in progress for Electric Department 2<sup>nd</sup> point of delivery station \$583,174. Total expended over the life of the project \$878,709.
- Construction in progress for Electric Department substation #8 upgrade \$56,374. Total expended over the life of the project \$110,639.
- Electric Department land acquisition -850 Greyson Rd - point of delivery station \$55,300
- Electric Department distribution lines-transformers \$573,733
- Construction in progress for Gas Department West Mount Drive extension \$479,478. Total expended over the life of the project \$479,478.
- Electric, Gas, and Wastewater Department meters \$176,349, \$385,696, and \$79,800
- Wastewater Department Hornbeam Branch and Church Street extension \$372,822
- Electric Department 2012 International 7400 material handler bucket truck \$267,404
- Electric Department 2013 7400 4x2 Digger Derrick truck \$242,053
- Construction in progress for Stormwater Department Downtown Streetscape construction \$229,947. Total expended over the life of the project \$229,947
- Electric Department 2012 International 7400 aerial truck \$186,382
- Wastewater Department 2012 International 7400 Sewer Jet truck \$175,138
- Stormwater Department Oakwood Park drainage system \$170,598
- Wastewater Department Northern Connector mains \$164,200
- Electric Department distribution lines-overhead \$158,979, underground \$138,102
- Water Department Rose quarry land acquisition-off Old Mill Road \$151,682
- Construction in progress for Electric Department Hunter Hill Widening project \$146,704. Total expended over the life of the project \$249,113.

- Water Department Benvenue Road main extension \$142,498
- Construction in progress for Downtown Streetscape project \$137,968. Total expended over the life of the project \$137,968.

**Figure 8:**

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 8,644,066	\$ 8,512,124	\$ 2,494,834	\$ 2,035,470	\$ 11,138,900	\$ 10,547,594
Building	33,789,357	33,699,873	36,786,070	37,961,667	70,575,427	71,661,540
Improvements other than buildings	14,191,548	14,798,410	1,711,810	2,138,567	15,903,358	16,936,977
Machinery and equipment	11,777,048	11,459,326	22,619,384	23,008,503	34,396,432	34,467,829
Infrastructure	34,575,984	34,618,541	72,817,513	66,189,203	107,393,497	100,807,744
Construction in progress	4,318,991	1,390,214	6,716,307	6,568,135	11,035,298	7,958,349
Total Capital Assets (net of accumulated depreciation)	\$ 107,296,994	\$ 104,478,488	\$ 143,145,918	\$ 137,901,545	\$ 250,442,912	\$ 242,380,033

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

**Long-term Debt.** The City enters into installment lease financing arrangements which have 3 year to 15 year terms for both the governmental and business-type activities. At June 30, 2012, the City had installment leases outstanding of \$24,742,143. Under other debt for the governmental activities, the City has debt outstanding on a note payable in the amount of \$500,000 for the purchase of a former YMCA facility that is being used by the City for our Senior Center, and the City has debt outstanding in the amount of \$2,510,000 for a HUD loan that has been used to finance the Douglas Block redevelopment project, and debt obligations in the amount of \$834,046 to the North Carolina Department of Transportation for reimbursement of road improvement and construction. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities to finance the replacement and upgrade of equipment at the City's water and wastewater treatment plants in the amount of \$5,268,013.

**Figure 9:**

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

	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2012	2011
	2012	2011	2012	2011	2012	2011
Installment lease payable	\$ 11,274,007	\$ 12,477,111	\$ 13,468,136	\$ 12,951,382	\$ 24,742,143	\$ 25,428,493
Other debt	3,844,046	3,847,785	-	-	3,844,046	3,847,785
Revolving Loans	-	-	5,268,013	3,835,026	5,268,013	3,835,026
Total	\$ 15,118,053	\$ 16,324,896	\$ 18,736,149	\$ 16,786,408	\$ 33,854,202	\$ 33,111,304

As mentioned in the financial highlights section of this document, the City maintained for the 15<sup>th</sup> consecutive year, its A1 bond rating from Moody's Investor Service and A+ rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City and contributes to keeping interest costs low on the City's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$310,505,323.

Additional information regarding the City's long-term debt can be found in note 11 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

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The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2013.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 13.2% at June 30, 2012. This is a .5% decrease in the unemployment rate compared to the prior year. It is expected that Rocky Mount may maintain a similar unemployment rate as the continued slowdown in the U.S. economy and the mounting credit problems will continue to hold back growth in the area's consumer-focused industries and financial services.
- In the midst of economic uncertainty, influenced by inflationary pressures, uncertain growth from existing revenues and challenges to baseline funding, the City will operate in a climate heavily influenced by minimal resident purchasing power, high unemployment, and significant inflation in key consumer commodities, such as the cost of fuel. Fuel increases have caused increases in supplies and materials due to the increased cost of delivery.
- Sales tax revenue increased 4% compared to the prior year. Our retail sales for the Rocky Mount metropolitan statistical area are comprised mostly of essential goods; reducing the loss other areas suffer from declines in consumption and purchase of luxuries.

## **Budget Highlights for the Fiscal Year Ending June 30, 2013**

**Governmental Activities:** The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2013, 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. Stagnant statewide and local economic activity have also prevented growth experienced naturally in the past with critical revenue sources, including the Powell Bill allocation for surface transportation improvements, business license and permit fees and charges for planning submissions and inspections related to new local economic development. We have reduced our projections for the coming year for planning, development, and inspection fees, and interest on investments. Interest revenues have continued to decline steadily for the past three years due to reduction of indexed interest rates by the Federal Reserve.

There is an ad valorem tax rate increase of \$0.03 per \$100 of assessed value, so the tax rate is at \$0.58 per \$100 of assessed value.

Budgeted expenditures in the governmental activities also increased 5%. The budget reflects community economic development strategies which will serve to grow the City, spur private investment, and lay a foundation for bold and transformational action. The budget focuses on public safety initiatives to support police activities and youth engagement. The budget includes funds to retain 8 police officer positions which the City had received Recovery Act funding to cover the salary and benefits for the 8 officers for 3 years. Now the City will be responsible for the full cost of the 8 positions; however, retaining the positions will allow the Police Department to continue their aggressive crime fighting strategies. The budget includes funding for continued growth and development of existing initiatives, such as completing our City Wi-Fi project to encompass all of Main Street and preparing all necessary sites for the USA South Conference spring sports tournaments. Funding is also programmed for continuing Council priorities with respect to affordable housing and improvements to Booker T. Washington High School. Reductions to the budget include the freezing of several vacant positions, deferral of capital projects to future years and delaying current year projects until after September 2012. Employee compensation, including pay and benefits, continues to represent a large amount of the budget. While undesirable, this budget does not include funds for City employee increases. This will be the second year in a row without performance/pay increases for employees. Eliminating pay raises not only helps reduce current growth in salary and benefit expenditures, but it also minimizes the compounding effect of increases over time, providing us with some flexibility in the long-term. The City's employer contribution to the North Carolina Local Government Employee Retirement System will decrease slightly this year. There is no increase in employer-paid portion of our health or life insurance premiums. The City will continue to offer our employees two options for coverage: the current PPO, or a Health Savings Account (HSA). We are holding 32 vacant positions in the general fund, which is an increase of 2 compared to the prior year. Capital project funding was limited; however, the priority in capital expenditures is to provide funding to adequately complete and equip projects that are already underway or for which a commitment has been made. There is funding to replace 16 patrol vehicles in the Police department. The process of patrol vehicle replacement is necessary to operate a dependable fleet of patrol vehicles to maintain a consistent presence in neighborhoods and to respond to emergencies. Within the Powell Bill fund, stagnant Powell Bill revenues limit our ability to resurface City roads to once per two years. Significant cuts were made to the allocation for road maintenance services provided by Public Works and Stormwater Management.

**Business-type Activities:** The business-type funds' budget decreased 2% for the fiscal year ending June 30, 2013. Mild conditions this past summer and winter, along with energy conservation and lack of industrial load growth provided for limited utility sales. The budget includes an increase to the base customer charge for Electric. This charge is not dependent on the amount of usage or service. The increase will hold the customers responsible for mitigation of problems created by the customer. There is no increase to gas, water, sewer, and stormwater rates. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses for business-type activities decreased 2%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. In order to offset these lower than average utility sales, staff made reductions of more than \$1.3 million in the Electric fund. These reductions limit our support for continued funding of incentives for residential energy efficiency improvements, eliminate funding for replacement of old and outdated transmission poles and limit funding for

replacement of distribution lines and other system needs. We are holding 11 positions vacant in the water resources funds, 7 in stormwater, and 1 in Public Utilities. Capital projects were limited. Funding is provided for a reduced level of distribution system improvements, new gas line expansion in order to provide an affordable alternative for local customers looking to stop using oil-based fuels, repainting of City water tanks, replacement of treatment plant pumps, continued rehabilitation of existing sewer mains, and drainage improvements.

### **Requests for Information**

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

# **BASIC FINANCIAL STATEMENTS**

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 13,784,302	\$ 26,516,534	\$ 40,300,836	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	2,012,211	-	2,012,211	-
Taxes-other	8,929	-	8,929	-
Customers	843,139	13,857,920	14,701,059	-
Other governmental agencies	9,052,864	602,577	9,655,441	-
Notes receivable	-	18,327	18,327	-
Assessments	2,641,251	249,137	2,890,388	-
Other	3,789,776	1,924,933	5,714,709	-
Prepaid items	128,890	-	128,890	-
Inventories	383,732	2,312,514	2,696,246	-
Restricted cash and investments	3,922,317	8,273,307	12,195,624	7,576
Total current assets	<u>36,567,411</u>	<u>53,755,249</u>	<u>90,322,660</u>	<u>7,676</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	12,963,057	9,211,141	22,174,198	6,581
Depreciable, net	94,333,937	133,934,777	228,268,714	8,342,383
Total capital assets	<u>107,296,994</u>	<u>143,145,918</u>	<u>250,442,912</u>	<u>8,348,964</u>
Other Noncurrent Assets:				
Other	-	-	-	51,628
Total other noncurrent assets	-	-	-	51,628
Total noncurrent assets	<u>107,296,994</u>	<u>143,145,918</u>	<u>250,442,912</u>	<u>8,400,592</u>
Total assets	<u>143,864,405</u>	<u>196,901,167</u>	<u>340,765,572</u>	<u>8,408,268</u>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable and accrued expenses	3,610,027	8,560,699	12,170,726	118,898
Current compensated absences	2,229,707	564,055	2,793,762	-
Current maturities of long-term debt	3,529,846	3,879,599	7,409,445	-
Total current liabilities	<u>9,369,580</u>	<u>13,004,353</u>	<u>22,373,933</u>	<u>118,898</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	<u>Primary Government</u>			<u>City of Rocky Mount Theatre, LLC</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Noncurrent Liabilities:				
Deposits	1,115,000	4,825,255	5,940,255	-
Unearned revenue	99,403	-	99,403	-
Accrued compensated absences	1,328,532	182,698	1,511,230	-
Long-term debt	15,470,045	15,801,700	31,271,745	8,300,863
Total noncurrent liabilities	<u>18,012,980</u>	<u>20,809,653</u>	<u>38,822,633</u>	<u>8,300,863</u>
Total liabilities	<u>27,382,560</u>	<u>33,814,006</u>	<u>61,196,566</u>	<u>8,419,761</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	94,306,305	127,857,818	222,164,123	48,101
Restricted for:				
Stabilization by State statute	14,360,723	-	14,360,723	-
Streets	2,280,894	-	2,280,894	-
Public safety	347,339	-	347,339	-
Parks and recreation	213,993	-	213,993	-
Theatre	-	-	-	7,576
Unrestricted	<u>4,972,591</u>	<u>35,229,343</u>	<u>40,201,934</u>	<u>(67,170)</u>
Total net assets	<u>\$ 116,481,845</u>	<u>\$ 163,087,161</u>	<u>\$ 279,569,006</u>	<u>\$ (11,493)</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 2,541,551	\$ 2,117,227	\$ 168,439	\$ -
Public safety	25,859,954	295,173	876,331	-
Public works	9,825,999	6,820,948	102,200	394,352
Engineering	811,304	16,660	154,303	-
Parks and recreation	9,487,899	1,197,659	158,288	3,170
Public service	10,161,005	2,001,241	3,344,198	5,010,497
Emergency management	5,418,215	27,134	5,419,740	-
Community revitalization	2,170,571	-	1,903,144	-
Interest on long-term debt	492,656	-	-	-
Total governmental activities	<u>66,769,154</u>	<u>12,476,042</u>	<u>12,126,643</u>	<u>5,408,019</u>
<b>Business-Type Activities:</b>				
Electric	88,705,142	89,632,663	2,536	708,868
Gas	18,345,011	19,574,918	-	-
Water	9,328,711	10,385,580	-	-
Sewer	11,091,914	11,768,570	-	516,825
Storm water management	3,352,683	3,603,852	380	-
Total business-type activities	<u>130,823,461</u>	<u>134,965,583</u>	<u>2,916</u>	<u>1,225,693</u>
Total primary government	<u>197,592,615</u>	<u>147,441,625</u>	<u>12,129,559</u>	<u>6,633,712</u>
<b>Component Unit:</b>				
City of Rocky Mount Theatre, LLC	268,946	-	5,584	-
Total component unit	<u>\$ 268,946</u>	<u>\$ -</u>	<u>\$ 5,584</u>	<u>\$ -</u>

General revenues:

Taxes:

Ad valorem taxes

Local option taxes

Franchise taxes

Telecommunication taxes

Miscellaneous

Investment earnings

Loss on sale of assets

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

**Net Assets:**

Beginning of year - July 1

End of year - June 30

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

**Exhibit B**

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>City of Rocky Mount Theatre, LLC</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (255,885)	\$ -	\$ (255,885)	\$ -
(24,688,450)	-	(24,688,450)	-
(2,508,499)	-	(2,508,499)	-
(640,341)	-	(640,341)	-
(8,128,782)	-	(8,128,782)	-
194,931	-	194,931	-
28,659	-	28,659	-
(267,427)	-	(267,427)	-
(492,656)	-	(492,656)	-
<u>(36,758,450)</u>	<u>-</u>	<u>(36,758,450)</u>	<u>-</u>
-	1,638,925	1,638,925	-
-	1,229,907	1,229,907	-
-	1,056,869	1,056,869	-
-	1,193,481	1,193,481	-
-	251,549	251,549	-
<u>-</u>	<u>5,370,731</u>	<u>5,370,731</u>	<u>-</u>
<u>(36,758,450)</u>	<u>5,370,731</u>	<u>(31,387,719)</u>	<u>-</u>
-	-	-	(263,362)
-	-	-	(263,362)
21,778,008	-	21,778,008	-
9,371,996	-	9,371,996	-
2,945,703	-	2,945,703	-
873,769	-	873,769	-
3,710,699	-	3,710,699	-
70,341	218,464	288,805	-
(78,721)	-	(78,721)	-
<u>38,671,795</u>	<u>218,464</u>	<u>38,890,259</u>	<u>-</u>
<u>3,066,000</u>	<u>(3,066,000)</u>	<u>-</u>	<u>-</u>
<u>41,737,795</u>	<u>(2,847,536)</u>	<u>38,890,259</u>	<u>-</u>
4,979,345	2,523,195	7,502,540	(263,362)
<u>111,502,500</u>	<u>160,563,966</u>	<u>272,066,466</u>	<u>251,869</u>
<u>\$ 116,481,845</u>	<u>\$ 163,087,161</u>	<u>\$ 279,569,006</u>	<u>\$ (11,493)</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 11,518,755	\$ 2,265,547	\$ 13,784,302
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	2,002,232	9,979	2,012,211
Other taxes	8,929	-	8,929
Customers	843,139	-	843,139
Other governmental agencies	3,936,916	5,115,948	9,052,864
Due from other funds	2,535,457	-	2,535,457
Assessments	2,641,251	-	2,641,251
Other	3,363,226	331,946	3,695,172
Prepaid items	-	128,890	128,890
Inventories	383,732	-	383,732
Restricted cash and investments	3,572,513	1,699	3,574,212
Total assets	<u>\$ 30,806,150</u>	<u>\$ 7,854,009</u>	<u>\$ 38,660,159</u>
<b>Liabilities and Fund Balances:</b>			
Accounts payable and accrued expenditures	\$ 2,374,214	\$ 750,813	\$ 3,125,027
Due to other funds	-	2,535,457	2,535,457
Deposits	1,094,500	20,500	1,115,000
Deferred revenues	6,517,724	9,979	6,527,703
Total liabilities	<u>9,986,438</u>	<u>3,316,749</u>	<u>13,303,187</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories	383,732	-	383,732
Prepaid items	-	128,890	128,890
<b>Restricted:</b>			
Stabilization by State statute	8,912,829	5,447,894	14,360,723
Streets	2,280,894	-	2,280,894
Future capital projects	1,291,619	1,699	1,293,318
Public safety	-	347,339	347,339
Parks and recreation	-	213,993	213,993
<b>Committed:</b>			
Public service	-	767,850	767,850
<b>Assigned:</b>			
Subsequent year's expenditures	963,473	-	963,473
Capital projects	-	841,164	841,164
<b>Unassigned:</b>			
General fund	6,987,165	-	6,987,165
Public safety	-	(117,082)	(117,082)
Emergency management	-	(1,430,976)	(1,430,976)
Future capital projects	-	(1,485,179)	(1,485,179)
Community revitalization	-	(178,332)	(178,332)
Total fund balances	<u>20,819,712</u>	<u>4,537,260</u>	<u>25,356,972</u>
Total liabilities and fund balances	<u>\$ 30,806,150</u>	<u>\$ 7,854,009</u>	<u>\$ 38,660,159</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012**

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

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

Ending fund balance-governmental funds	\$ 25,356,972
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	107,296,994
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	6,428,300
Assets and liabilities of the risk management fund used by management to account for certain insurance costs are included in governmental activities in the statement of net assets.	442,709
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(18,999,891)
Compensated absences	(3,558,239)
Claims and judgments	<u>(485,000)</u>
Net assets of governmental activities	<u>\$ 116,481,845</u>

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 21,863,586	\$ 76,398	\$ 21,939,984
Intergovernmental	18,670,796	8,439,150	27,109,946
Licenses and permits	921,813	-	921,813
Sales and service	8,487,008	-	8,487,008
Project	-	7,571,153	7,571,153
Investment earnings	68,548	1,794	70,342
Miscellaneous	1,127,628	71,827	1,199,455
Total revenues	<u>51,139,379</u>	<u>16,160,322</u>	<u>67,299,701</u>
<b>Expenditures:</b>			
Current:			
General government	5,107,954	711,148	5,819,102
Public safety	24,851,932	652,227	25,504,159
Public works	10,459,006	-	10,459,006
Engineering	970,091	-	970,091
Parks and recreation	8,297,483	165,859	8,463,342
Public service	1,040,947	9,069,256	10,110,203
Emergency management	-	5,418,215	5,418,215
Community revitalization	-	2,170,571	2,170,571
Debt service:			
Principal	2,713,104	90,000	2,803,104
Interest	420,207	72,449	492,656
Total expenditures	<u>53,860,724</u>	<u>18,349,725</u>	<u>72,210,449</u>
Revenues over (under) expenditures	<u>(2,721,345)</u>	<u>(2,189,403)</u>	<u>(4,910,748)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(809,660)	(952,226)	(1,761,886)
Transfers from other funds	4,151,091	676,795	4,827,886
Installment purchase financing issued	1,255,000	-	1,255,000
Total other financing sources (uses)	<u>4,596,431</u>	<u>(275,431)</u>	<u>4,321,000</u>
Net change in fund balance	1,875,086	(2,464,834)	(589,748)
<b>Fund balance:</b>			
Beginning of year, July 1	18,944,626	7,002,094	25,946,720
End of year, June 30	<u>\$ 20,819,712</u>	<u>\$ 4,537,260</u>	<u>\$ 25,356,972</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, 2012**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ (589,748)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.</p>	
Capital outlay	8,523,259
Depreciation	(5,464,979)
Basis of disposed/transferred capital assets	(239,774)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	1,474,400
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(574,170)
<p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Other post employment benefit net obligation	154,082
Debt issuance	(1,255,000)
Debt retirement	2,803,104
A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	<u>148,171</u>
Changes in net assets of governmental activities	<u>\$ 4,979,345</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 21,615,000	\$ 21,615,000	\$ 21,863,586	\$ 248,586
Intergovernmental	17,066,600	17,577,790	18,670,796	1,093,006
Licenses and permits	921,850	921,850	921,813	(37)
Sales and service	8,393,960	8,442,710	8,487,008	44,298
Investment earnings	129,300	129,300	68,548	(60,752)
Miscellaneous	1,040,600	1,258,967	1,127,628	(131,339)
Total revenues	<u>49,167,310</u>	<u>49,945,617</u>	<u>51,139,379</u>	<u>1,193,762</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Mayor and council	456,620	424,610	214,906	209,704
City clerk	186,740	173,540	171,937	1,603
Community services	481,760	471,782	461,581	10,201
City manager	517,840	566,890	561,240	5,650
Public affairs	107,700	107,700	87,206	20,494
Downtown development	113,270	117,270	110,184	7,086
Finance	364,650	456,978	96,314	360,664
Central services	626,060	625,249	387,184	238,065
Planning and development	2,078,470	2,293,480	1,922,078	371,402
Human resources	899,620	867,215	794,357	72,858
Human relations	300,330	301,420	300,967	453
Total general government	<u>6,133,060</u>	<u>6,406,134</u>	<u>5,107,954</u>	<u>1,298,180</u>
<b>Public Safety:</b>				
Police	14,131,530	14,198,752	13,994,737	204,015
Fire	10,916,750	11,062,941	10,857,195	205,746
Total public safety	<u>25,048,280</u>	<u>25,261,693</u>	<u>24,851,932</u>	<u>409,761</u>
<b>Public Works:</b>				
Administration	227,290	228,290	215,578	12,712
Street and row maintenance	2,076,960	2,081,862	1,713,592	368,270
Housing code enforcement	926,180	926,180	883,496	42,684
Environmental service	6,882,610	7,914,959	7,434,675	480,284
Fleet maintenance	118,500	246,118	211,665	34,453
Total public works	<u>10,231,540</u>	<u>11,397,409</u>	<u>10,459,006</u>	<u>938,403</u>
<b>Engineering:</b>				
Administration	538,060	566,335	482,957	83,378
Traffic	488,750	533,173	487,134	46,039
Total engineering	<u>1,026,810</u>	<u>1,099,508</u>	<u>970,091</u>	<u>129,417</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Parks and Recreation:</b>				
Administration	442,810	530,540	501,991	28,549
Athletics	510,640	523,350	522,157	1,193
Cultural arts	709,460	757,139	741,447	15,692
Amusements and special events	249,900	273,690	252,042	21,648
Museum	491,350	496,490	496,433	57
Parks maintenance	1,884,780	1,888,180	1,887,595	585
Cemetery operations	439,630	429,790	419,169	10,621
Outdoor programs	190,710	186,048	183,000	3,048
Neighborhood programs	731,130	881,600	872,284	9,316
Senior programs	424,090	454,653	454,441	212
Sports complex	559,880	553,272	531,457	21,815
Imperial Centre	1,544,410	1,437,401	1,435,467	1,934
Total parks and recreation	<u>8,178,790</u>	<u>8,412,153</u>	<u>8,297,483</u>	<u>114,670</u>
Public service	<u>1,590,800</u>	<u>2,396,896</u>	<u>1,040,947</u>	<u>1,355,949</u>
<b>Debt service:</b>				
Principal	2,952,823	2,833,253	2,713,104	120,149
Interest	420,207	420,207	420,207	-
Total debt service	<u>3,373,030</u>	<u>3,253,460</u>	<u>3,133,311</u>	<u>120,149</u>
Total expenditures	<u>55,582,310</u>	<u>58,227,253</u>	<u>53,860,724</u>	<u>4,366,529</u>
Revenues over (under) expenditures	<u>(6,415,000)</u>	<u>(8,281,636)</u>	<u>(2,721,345)</u>	<u>5,560,291</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(495,000)	(818,250)	(809,660)	8,590
Transfers from other funds	4,120,000	4,285,091	4,151,091	(134,000)
Installment purchase financing used	1,340,000	1,736,000	1,255,000	(481,000)
Total other financing sources (uses)	<u>4,965,000</u>	<u>5,202,841</u>	<u>4,596,431</u>	<u>(606,410)</u>
Fund balance appropriated	<u>1,450,000</u>	<u>3,078,795</u>	<u>-</u>	<u>(3,078,795)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,875,086</u>	<u>\$ 1,875,086</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>18,944,626</u>	
End of year, June 30			<u>\$ 20,819,712</u>	

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

JUNE 30, 2012

Business-Type Activities

	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents/investments	\$ 6,574,250	\$ 7,738,114	\$ 6,122,535	\$ 3,897,377
Restricted cash and investments	3,505,222	2,054,580	1,641,500	222,767
Due from other funds	-	54,349	-	-
Receivables - net:				
Assessments	-	-	97,538	151,599
Customers	10,137,961	763,252	1,145,748	1,368,482
Other governmental agencies	602,577	-	-	-
Notes receivable	-	-	12,384	5,943
Other	204,830	16,978	7,784	1,695,341
Inventories	2,140,915	116,109	53,266	2,224
Total current assets	<u>23,165,755</u>	<u>10,743,382</u>	<u>9,080,755</u>	<u>7,343,733</u>
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	2,431,236	488,205	1,470,608	3,464,934
Capital assets, depreciable, net of accumulated depreciation and amortization	<u>35,179,998</u>	<u>14,242,795</u>	<u>28,846,059</u>	<u>53,959,470</u>
Total capital assets (net of accumulated depreciation)	<u>37,611,234</u>	<u>14,731,000</u>	<u>30,316,667</u>	<u>57,424,404</u>
Other Noncurrent Assets				
Due from other funds	-	113,646	-	-
Total other noncurrent assets	-	<u>113,646</u>	-	-
Total noncurrent assets	<u>37,611,234</u>	<u>14,844,646</u>	<u>30,316,667</u>	<u>57,424,404</u>
Total assets	<u>60,776,989</u>	<u>25,588,028</u>	<u>39,397,422</u>	<u>64,768,137</u>
<b>Liabilities and Net Assets:</b>				
Current Liabilities:				
Accounts payable and accrued expenditures	7,366,938	565,909	132,186	270,948
Due to other funds	-	-	54,349	-
Current accrued compensated absences	247,606	56,357	112,906	91,023
Current maturities of long-term debt	<u>1,098,362</u>	<u>293,900</u>	<u>913,007</u>	<u>1,198,656</u>
Total current liabilities	<u>8,712,906</u>	<u>916,166</u>	<u>1,212,448</u>	<u>1,560,627</u>
Noncurrent Liabilities:				
Deposits	2,814,854	1,154,359	817,397	10,265
Accrued compensated absences	77,092	12,735	43,069	22,323
Due to other funds	-	-	113,646	-
Noncurrent portion of long-term debt	<u>1,915,986</u>	<u>1,179,510</u>	<u>2,760,731</u>	<u>8,796,643</u>
Total noncurrent liabilities	<u>4,807,932</u>	<u>2,346,604</u>	<u>3,734,843</u>	<u>8,829,231</u>
Total liabilities	<u>13,520,838</u>	<u>3,262,770</u>	<u>4,947,291</u>	<u>10,389,858</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	35,593,065	14,261,411	27,740,136	47,767,295
Unrestricted	<u>11,663,086</u>	<u>8,063,847</u>	<u>6,709,995</u>	<u>6,610,984</u>
Total net assets	<u>\$ 47,256,151</u>	<u>\$ 22,325,258</u>	<u>\$ 34,450,131</u>	<u>\$ 54,378,279</u>

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

**Exhibit G**

		<b>Governmental Activities</b>	
<b>Other Nonmajor Fund</b>	<b>Total Business-Type Activities Enterprise</b>	<b>Internal Service Fund</b>	<b>Risk Management</b>
<b>Storm Water Management</b>			
\$ 2,184,258	\$ 26,516,534	\$ -	-
849,238	8,273,307	348,105	-
-	54,349	-	-
-	249,137	-	-
442,477	13,857,920	-	-
-	602,577	-	-
-	18,327	-	-
-	1,924,933	94,604	-
-	2,312,514	-	-
<u>3,475,973</u>	<u>53,809,598</u>	<u>442,709</u>	
1,356,158	9,211,141	-	-
<u>1,706,455</u>	<u>133,934,777</u>	<u>-</u>	
<u>3,062,613</u>	<u>143,145,918</u>	<u>-</u>	
-	113,646	-	-
-	113,646	-	-
<u>3,062,613</u>	<u>143,259,564</u>	<u>-</u>	
<u>6,538,586</u>	<u>197,069,162</u>	<u>442,709</u>	
224,718	8,560,699	-	-
-	54,349	-	-
56,163	564,055	-	-
<u>375,674</u>	<u>3,879,599</u>	<u>-</u>	
<u>656,555</u>	<u>13,058,702</u>	<u>-</u>	
28,380	4,825,255	-	-
27,479	182,698	-	-
-	113,646	-	-
<u>1,148,830</u>	<u>15,801,700</u>	<u>-</u>	
<u>1,204,689</u>	<u>20,923,299</u>	<u>-</u>	
<u>1,861,244</u>	<u>33,982,001</u>	<u>-</u>	
2,495,911	127,857,818	-	-
<u>2,181,431</u>	<u>35,229,343</u>	<u>442,709</u>	
<u>\$ 4,677,342</u>	<u>\$ 163,087,161</u>	<u>\$ 442,709</u>	

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities</b>			
	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 88,157,911	\$ 19,510,767	\$ 10,140,548	\$ 11,549,285
Licenses and permits	-	-	38,859	45,019
Other operating revenues	1,413,827	34,879	192,054	174,266
Total operating revenues	<u>89,571,738</u>	<u>19,545,646</u>	<u>10,371,461</u>	<u>11,768,570</u>
<b>Operating Expenses:</b>				
Distribution systems	82,951,176	17,443,208	-	-
Treatment plants	-	-	5,172,385	6,448,513
Engineering	1,241,640	-	-	-
Support services	704,521	-	2,519,507	2,460,072
Energy services	1,481,233	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	1,873,606	760,345	1,464,473	1,874,234
Total operating expenses	<u>88,252,176</u>	<u>18,203,553</u>	<u>9,156,365</u>	<u>10,782,819</u>
Operating income (loss)	<u>1,319,562</u>	<u>1,342,093</u>	<u>1,215,096</u>	<u>985,751</u>
<b>Nonoperating Revenues (Expenses):</b>				
Other	63,461	29,272	14,119	-
Investment earnings	61,319	44,032	31,806	67,778
Interest expense	(92,044)	(2,639)	(116,830)	(309,095)
Appropriation to school system	(360,922)	(138,819)	(55,516)	-
Total nonoperating revenues (expenses)	<u>(328,186)</u>	<u>(68,154)</u>	<u>(126,421)</u>	<u>(241,317)</u>
Income (loss) before capital contributions and transfers	<u>991,376</u>	<u>1,273,939</u>	<u>1,088,675</u>	<u>744,434</u>
Capital contributions	708,868	-	-	516,825
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,500,000)	(1,266,000)	(500,000)	-
Total capital contributions and transfers	<u>(791,132)</u>	<u>(1,266,000)</u>	<u>(500,000)</u>	<u>516,825</u>
Change in net assets	200,244	7,939	588,675	1,261,259
<b>Net Assets:</b>				
Beginning of year - July 1	47,055,907	22,317,319	33,861,456	53,117,020
End of year - June 30	<u>\$ 47,256,151</u>	<u>\$ 22,325,258</u>	<u>\$ 34,450,131</u>	<u>\$ 54,378,279</u>

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

**Exhibit H**

<u>Other Nonmajor Fund</u>	<u>Total Business-Type Activities Enterprise</u>	<u>Governmental Activities</u>
		<u>Internal Service Fund Risk Management</u>
\$ 3,413,995	\$ 132,772,506	\$ 7,059,162
-	83,878	-
<u>189,857</u>	<u>2,004,883</u>	<u>-</u>
<u>3,603,852</u>	<u>134,861,267</u>	<u>7,059,162</u>
-	100,394,384	-
-	11,620,898	-
-	1,241,640	-
722,202	6,406,302	-
-	1,481,233	-
2,346,395	2,346,395	-
-	-	5,520,099
-	-	1,390,892
<u>259,967</u>	<u>6,232,625</u>	<u>-</u>
<u>3,328,564</u>	<u>129,723,477</u>	<u>6,910,991</u>
<u>275,288</u>	<u>5,137,790</u>	<u>148,171</u>
380	107,232	-
13,529	218,464	-
(24,119)	(544,727)	-
<u>-</u>	<u>(555,257)</u>	<u>-</u>
<u>(10,210)</u>	<u>(774,288)</u>	<u>-</u>
<u>265,078</u>	<u>4,363,502</u>	<u>148,171</u>
-	1,225,693	-
200,000	200,000	-
-	(3,266,000)	-
<u>200,000</u>	<u>(1,840,307)</u>	<u>-</u>
465,078	2,523,195	148,171
<u>4,212,264</u>	<u>160,563,966</u>	<u>294,538</u>
<u>\$ 4,677,342</u>	<u>\$ 163,087,161</u>	<u>\$ 442,709</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 91,137,894	\$ 19,776,910	\$ 10,662,797	\$ 10,431,963
Payments to suppliers for goods and services	(81,646,747)	(16,207,031)	(4,643,377)	(6,848,095)
Payments to or on behalf of employees	(4,894,257)	(1,394,515)	(3,052,527)	(2,199,273)
Net cash provided (used) by operating activities	<u>4,596,890</u>	<u>2,175,364</u>	<u>2,966,893</u>	<u>1,384,595</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers to other funds	(1,500,000)	(1,266,000)	(500,000)	-
Transfers from other funds	-	-	-	-
Payments from (to) other funds	-	659,111	(245,558)	(413,553)
Appropriation to school system	(360,922)	(138,819)	(55,516)	-
Net cash provided (used) by noncapital financing activities	<u>(1,860,922)</u>	<u>(745,708)</u>	<u>(801,074)</u>	<u>(413,553)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Debt issued	423,000	1,370,000	668,000	1,662,374
Acquisition and construction of capital assets	(4,814,405)	(1,937,700)	(1,525,857)	(2,641,406)
Interest paid	(92,044)	(2,639)	(116,830)	(309,095)
Insurance recovery	60,925	29,272	14,119	-
Proceeds from grants and subsidies	711,405	-	-	516,825
Principal payments on long-term debt	(969,190)	(44,131)	(691,581)	(1,090,796)
Net cash provided (used) by capital and related financing activities	<u>(4,680,309)</u>	<u>(585,198)</u>	<u>(1,652,149)</u>	<u>(1,862,098)</u>
<b>Cash Flows From Investing Activities:</b>				
Investment earnings	61,319	44,032	31,806	67,778
Net cash provided (used) by investing activities	<u>61,319</u>	<u>44,032</u>	<u>31,806</u>	<u>67,778</u>
Net increase (decrease) in cash and cash equivalents/investments	(1,883,022)	888,490	545,476	(823,278)
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year, July 1	<u>11,962,494</u>	<u>8,904,204</u>	<u>7,218,559</u>	<u>4,943,422</u>
End of year, June 30	<u>\$ 10,079,472</u>	<u>\$ 9,792,694</u>	<u>\$ 7,764,035</u>	<u>\$ 4,120,144</u>
Cash and cash equivalents/investments	\$ 6,574,250	\$ 7,738,114	\$ 6,122,535	\$ 3,897,377
Restricted cash and investments	3,505,222	2,054,580	1,641,500	222,767
	<u>\$ 10,079,472</u>	<u>\$ 9,792,694</u>	<u>\$ 7,764,035</u>	<u>\$ 4,120,144</u>

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

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

<b>Other Nonmajor Fund</b>	<b>Governmental Activities</b>	
<b>Storm Water Management</b>	<b>Internal Service Fund</b>	<b>Risk Management</b>
<b>Total</b>		
\$ 3,581,958	\$ 135,591,522	\$ 6,972,357
(828,415)	(110,173,665)	(6,918,711)
<u>(2,109,958)</u>	<u>(13,650,530)</u>	<u>-</u>
643,585	11,767,327	53,646
-	(3,266,000)	-
200,000	200,000	-
-	-	-
<u>-</u>	<u>(555,257)</u>	<u>-</u>
200,000	(3,621,257)	-
821,000	4,944,374	-
(557,633)	(11,477,001)	-
(24,119)	(544,727)	-
-	104,316	-
380	1,228,610	-
(198,935)	(2,994,633)	-
<u>40,693</u>	<u>(8,739,061)</u>	<u>-</u>
13,529	218,464	-
<u>13,529</u>	<u>218,464</u>	<u>-</u>
897,807	(374,527)	53,646
<u>2,135,689</u>	<u>35,164,368</u>	<u>294,459</u>
<u>\$ 3,033,496</u>	<u>\$ 34,789,841</u>	<u>\$ 348,105</u>
\$ 2,184,258	\$ 26,516,534	\$ -
849,238	8,273,307	348,105
<u>\$ 3,033,496</u>	<u>\$ 34,789,841</u>	<u>\$ 348,105</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Gas Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ 1,319,562	\$ 1,342,093	\$ 1,215,096	\$ 985,751
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation and amortization	1,873,606	760,345	1,464,473	1,874,234
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in receivables and assessments	1,421,569	126,190	272,816	(1,337,135)
(Increase) decrease in inventories	34,025	20,840	49,965	2,266
Increase (decrease) in accounts payable and accrued expenses	(183,733)	(162,007)	(44,449)	(131,333)
Increase (decrease) in deposits	144,587	105,074	18,520	528
Increase (decrease) in accrued compensated absences and other accrued liabilities	(12,726)	(17,171)	(9,528)	(9,716)
Net cash provided (used) by operating activities	<u>\$ 4,596,890</u>	<u>\$ 2,175,364</u>	<u>\$ 2,966,893</u>	<u>\$ 1,384,595</u>

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

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

<b>Other Nonmajor Fund</b>		<b>Governmental Activities</b>
<b>Storm Water Management</b>	<b>Total</b>	<b>Internal Service Fund</b>
		<b>Risk Management</b>
\$ 275,288	\$ 5,137,790	\$ 148,171
259,967	6,232,625	-
(38,394)	445,046	(86,805)
-	107,096	-
131,486	(390,036)	(7,720)
16,500	285,209	-
(1,262)	(50,403)	-
\$ 643,585	\$ 11,767,327	\$ 53,646

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 270,661
Total assets	<u>\$ 270,661</u>
<b>Liabilities:</b>	
Due to other agencies	\$ 270,661
Total liabilities	<u>\$ 270,661</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.



# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 1. Summary of Significant Accounting Policies

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

#### **Reporting Entity**

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 57,433 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

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

#### **City of Rocky Mount Theatre, LLC**

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

#### **Basis of Presentation**

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

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

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

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

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

**Water Fund** – This fund accounts for the operations of the City's water system.

**Sewer Fund** – This fund accounts for the operations of the City's waste water system.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Additionally, the City reports the following fund types:

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

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

### **Measurement Focus and Basis of Accounting**

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

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all general revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Nash and Edgecombe Counties are responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues

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

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012**

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

### **Use of Estimates**

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

### **Budgetary Data**

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

Appropriations are made at the departmental level and amended as necessary by City Council. The budget information shown in the basic financial statements reports the original and final budget ordinance. The original budget data represents the annual budget ordinance adopted by the City Council for the year ended June 30, 2012. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2012. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012**

### **Funds with Multi-Year Budgets**

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

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

### **Encumbrances**

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

### **Statement of Cash Flows**

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

### **Cash and Cash Equivalents**

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

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012**

### **Assets, Liabilities and Fund Equity**

#### **Restricted Investments**

The unexpended proceeds from the installment purchase agreements entered into by the City are classified as restricted investments in the respective funds because their use is completely restricted to the purpose for which the agreement was originally intended. In accordance with State law {G.S. 136-41.1 through 136-41.4}, Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected.

#### **Ad Valorem Taxes Receivable**

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

#### **Allowances for Doubtful Accounts**

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

#### **Due To/From Other Funds**

Amounts reported at June 30, 2012, as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

#### **Inventories**

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Capital Assets

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

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

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

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

### Long-Term Obligations

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012**

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

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

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

### **Compensated Absences**

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

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

### **Net Assets**

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

### **Fund Balances**

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The governmental fund types classify fund balances as follows:

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

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

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

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

### **Restricted Fund Balance**

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

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

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

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

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

### **Committed Fund Balance**

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Assigned Fund Balance

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

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

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

### Unassigned Fund Balance

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

The City of Rocky Mount has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, State funds, local funds, 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 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	\$20,819,712
Less:	
Inventories	383,732
Stabilization by State Statute	<u>8,912,829</u>
Total available fund balance	<u>\$11,523,151</u>

### Interfund Transfers

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 2. Deposits and Investments

#### Deposits

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

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

At June 30, 2012, the City's deposits had a carrying amount of \$19,865,622 and a bank balance of approximately \$22,278,495. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$21,028,495 in interest-bearing deposits was covered by collateral held under the Pooling Method. The carrying amount of the deposits for the City of Rocky Mount Theatre, LLC was \$7,676 comprised of a bank balance of \$7,576 and cash on hand of \$100.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Investments

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

At June 30, 2012, the City had \$32,892,374 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust Cash Portfolio	\$ 19,889,803	\$ 19,889,803	N/A
North Carolina Capital Management Trust Term Portfolio	<u>13,002,571</u>	<u>13,002,571</u>	N/A
Total	<u>\$ 32,892,374</u>	<u>\$ 32,892,374</u>	

Total cash and investments of \$52,767,121 reported by the City include cash on hand of \$9,125 and \$270,661 held by the City in the agency fund, Community Development and Governmental Activities Fund.

At June 30, 2012, the City had \$4,741,367 in escrow accounts because the amount was restricted as to use. The deposits are to be used to purchase equipment and construction improvements under installment purchase agreements. The City had \$348,105 restricted for use in the Internal Service Fund.

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 3. Accounts Receivable and Allowances for Doubtful Accounts

#### Allowance for Doubtful Accounts

The receivables shown in the balance sheet and the Statement of Net Assets at June 30, 2012 are net of the following allowances for doubtful accounts:

#### Allowances for Doubtful Accounts

<u>Fund</u>	<u>June 30, 2012</u>
<b>Governmental Activities:</b>	
Ad valorem taxes	\$ 1,447,120
Planning loans	5,898,579
Miscellaneous	455,075
Customers	99,878
Total governmental activities	<u>\$ 7,900,652</u>
 <b>Business-Type Activities:</b>	
Customers:	
Electric	\$ 1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	88,799
Total business-type activities	<u>\$ 2,233,967</u>
 Total allowances for doubtful accounts	 <u><u>\$ 10,134,619</u></u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Accounts Receivable

At June 30, 2012, funds due from other governmental agencies and business-type activities consisted of the following:

#### Governmental Activities:

	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Sales tax refund	\$ 891,966	\$ -	\$ 891,966
Vehicle fee	204,374	-	204,374
Local option tax	1,544,892	-	1,544,892
Grants receivable	1,103,904	5,051,761	6,155,665
Franchise tax	157,615	-	157,615
Miscellaneous receivable	34,165	64,187	98,352
	\$ 3,936,916	\$ 5,115,948	\$ 9,052,864

#### Business-Type Activities:

Electric		\$ 602,577
Total business-type activities		\$ 602,577

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 4. Capital Assets

#### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2012, was as follows:

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	8,512,124	296,213	164,271	-	8,644,066
Construction in progress	1,390,214	3,266,522	-	(337,745)	4,318,991
Total capital assets not being depreciated	<u>9,902,338</u>	<u>3,562,735</u>	<u>164,271</u>	<u>(337,745)</u>	<u>12,963,057</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	20,399,565	188,959	17,149	-	20,571,375
Buildings	51,939,141	868,126	59,624	337,744	53,085,387
Equipment	42,226,086	3,290,199	4,957,850	204,528	40,762,963
Infrastructure	46,719,543	612,842	-	-	47,332,385
Total capital assets being depreciated	<u>161,284,336</u>	<u>4,960,125</u>	<u>5,034,623</u>	<u>542,272</u>	<u>161,752,110</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	5,601,155	786,338	7,666	-	6,379,827
Buildings	18,239,269	1,068,480	11,719	-	19,296,030
Equipment	30,766,760	2,954,762	4,939,735	204,128	28,985,915
Infrastructure	12,101,002	655,399	-	-	12,756,401
Total accumulated depreciation	<u>66,708,186</u>	<u>5,464,979</u>	<u>4,959,120</u>	<u>204,128</u>	<u>67,418,173</u>
Total capital assets being depreciated, net	<u>94,576,150</u>				<u>94,333,937</u>
Governmental activities capital assets, net	<u>104,478,488</u>				<u>107,296,994</u>

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

General government	\$ 899,219
Public works	1,511,607
Public safety	1,085,073
Transit	496,747
Planning	41,602
Recreation	1,175,756
Airport	254,975
Total	<u>\$ 5,464,979</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Capital asset activity for the business-type activities for the year ended June 30, 2012, was as follows:

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Electric Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	221,782	110,601	-	-	332,383
Construction in progress	717,325	1,591,909	-	(210,380)	2,098,853
Total capital assets not being depreciated	<u>939,107</u>	<u>1,702,510</u>	<u>-</u>	<u>(210,380)</u>	<u>2,431,236</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	408,908	30,000			438,908
Buildings	6,370,834	-			6,370,834
Equipment	29,944,852	1,256,546	1,293,268	11,631	29,919,761
Infrastructure	27,947,602	1,844,847	-	210,380	30,002,830
Total capital assets being depreciated	<u>64,672,197</u>	<u>3,131,393</u>	<u>1,293,268</u>	<u>222,011</u>	<u>66,732,332</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	223,409	14,949			238,358
Buildings	3,333,147	148,457			3,481,604
Equipment	20,792,756	1,189,629	1,273,771	11,631	20,720,245
Infrastructure	6,591,557	520,571			7,112,129
Total accumulated depreciation	<u>30,940,869</u>	<u>1,873,606</u>	<u>1,273,771</u>	<u>11,631</u>	<u>31,552,335</u>
Total capital assets being depreciated, net	<u>33,731,328</u>	<u>1,257,787</u>	<u>19,497</u>	<u>210,380</u>	<u>35,179,998</u>
Electric Fund capital assets, net	<u>34,670,435</u>	<u>2,960,296</u>	<u>19,497</u>	<u>-</u>	<u>37,611,234</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Gas Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	8,727	-	-	-	8,727
Construction in progress	-	479,478	-	-	479,478
Total capital assets not being depreciated	<u>8,727</u>	<u>479,478</u>	<u>-</u>	<u>-</u>	<u>488,205</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	11,425	-	-	-	11,425
Buildings	328,550	-	-	-	328,550
Equipment	8,655,471	509,274	5,619	(46,387)	9,112,739
Infrastructure	9,784,479	948,947	-	-	10,733,427
Total capital assets being depreciated	<u>18,779,926</u>	<u>1,458,221</u>	<u>5,619</u>	<u>(46,387)</u>	<u>20,186,141</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	952	457	-	-	1,409
Buildings	111,452	6,243	-	-	117,696
Equipment	3,969,745	623,174	5,619	(46,387)	4,540,913
Infrastructure	1,152,858	130,471	-	-	1,283,329
Total accumulated depreciation	<u>5,235,007</u>	<u>760,345</u>	<u>5,619</u>	<u>(46,387)</u>	<u>5,943,346</u>
Total capital assets being depreciated, net	<u>13,544,919</u>	<u>697,876</u>	<u>-</u>	<u>-</u>	<u>14,242,795</u>
Gas Fund capital assets, net	<u><u>13,553,646</u></u>	<u><u>1,177,354</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14,731,000</u></u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Water Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	851,506	171,682	-	-	1,023,187
Construction in progress	1,131,041	245,618	-	(929,238)	447,420
Total capital assets not being depreciated	<u>1,982,547</u>	<u>417,299</u>	<u>-</u>	<u>(929,238)</u>	<u>1,470,608</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	9,106,395	-	-	-	9,106,395
Buildings	12,378,194	-	-	-	12,378,194
Equipment	6,916,244	759,668	90,246	(76,602)	7,509,064
Infrastructure	26,250,629	340,339	-	929,238	27,520,207
Total capital assets being depreciated	<u>54,651,463</u>	<u>1,100,007</u>	<u>90,246</u>	<u>852,637</u>	<u>56,513,861</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	7,239,676	438,168			7,677,844
Buildings	5,564,170	248,061			5,812,232
Equipment	5,200,089	425,039	90,246	(85,151)	5,449,730
Infrastructure	8,374,792	353,205			8,727,997
Total accumulated depreciation	<u>26,378,726</u>	<u>1,464,473</u>	<u>90,246</u>	<u>(85,151)</u>	<u>27,667,802</u>
Total capital assets being depreciated, net	<u>28,272,737</u>	<u>(364,466)</u>	<u>-</u>	<u>937,788</u>	<u>28,846,059</u>
Water Fund capital assets, net	<u>30,255,283</u>	<u>52,834</u>	<u>-</u>	<u>8,550</u>	<u>30,316,667</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Sewer Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	743,865	38,160			782,025
Construction in progress	3,960,234	1,654,656		(2,931,981)	2,682,909
Total capital assets not being depreciated	<u>4,704,099</u>	<u>1,692,816</u>	-	<u>(2,931,981)</u>	<u>3,464,934</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	2,167,163				2,167,163
Buildings	43,707,996	33,548	84,796		43,656,747
Equipment	20,923,624	545,112	458,426	(65,406)	20,944,904
Infrastructure	26,422,857	622,734		2,931,981	29,977,572
Total capital assets being depreciated	<u>93,221,640</u>	<u>1,201,394</u>	<u>543,222</u>	<u>2,866,574</u>	<u>96,746,387</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,105,704	2,490			2,108,194
Buildings	15,876,125	771,538	51,248		16,596,415
Equipment	14,586,779	742,444	248,118	(56,457)	15,024,647
Infrastructure	8,699,898	357,762			9,057,659
Total accumulated depreciation	<u>41,268,506</u>	<u>1,874,234</u>	<u>299,366</u>	<u>(56,457)</u>	<u>42,786,917</u>
Total capital assets being depreciated, net	<u>51,953,134</u>	<u>(672,840)</u>	<u>243,855</u>	<u>2,923,031</u>	<u>53,959,470</u>
Sewer Fund capital assets, net	<u>56,657,233</u>	<u>1,019,975</u>	<u>243,855</u>	<u>(8,949)</u>	<u>57,424,404</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
<b>Storm Water Management Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	209,589	138,923			348,512
Construction in progress	759,535	248,111			1,007,646
Total capital assets not being depreciated	<u>969,124</u>	<u>387,035</u>	<u>-</u>	<u>-</u>	<u>1,356,158</u>
<b>Capital Assets Being Depreciated</b>					
Land improvements	17,300	-			17,300
Buildings	65,000	-			65,000
Equipment	2,865,325	-	2,625	(27,764)	2,834,936
Infrastructure	645,017	170,598			815,615
Total capital assets being depreciated	<u>3,592,642</u>	<u>170,598</u>	<u>2,625</u>	<u>(27,764)</u>	<u>3,732,852</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	2,883	692			3,576
Buildings	4,008	1,300			5,308
Equipment	1,747,647	249,226	2,625	(27,764)	1,966,485
Infrastructure	42,280	8,748			51,028
Total accumulated depreciation	<u>1,796,819</u>	<u>259,967</u>	<u>2,625</u>	<u>(27,764)</u>	<u>2,026,397</u>
Total capital assets being depreciated, net	<u>1,795,823</u>	<u>(89,368)</u>	<u>-</u>	<u>-</u>	<u>1,706,455</u>
Total Storm Water Management Fund capital assets, net	<u><u>2,764,947</u></u>	<u><u>297,666</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,062,613</u></u>

### Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2011, was as follows:

	<u>December 31, 2010</u>	<u>Increases</u>	<u>Retirements</u>	<u>December 31, 2011</u>
<b>Governmental Activities:</b>				
Capital assets	\$ 8,559,554	\$ -	\$ 210,590	\$ 8,348,964

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2012, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,090,479	\$ 8,217,912	\$ 9,308,391
Claims incurred but not reported	485,000	117,982	602,982
Accrued payroll and related liabilities	2,034,548	224,805	2,259,353
Total accounts payable and accrued liabilities	\$ 3,610,027	\$ 8,560,699	\$ 12,170,726

### 6. Pension Plan Obligations

#### Local Government Employees' Retirement System

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

**Funding Policy.** Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.95% and 7.05% respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$2,944,862, \$2,661,035, and \$1,997,580 respectively. These amounts represent 100% of the required contributions for 2012, 2011, and 2010 respectively.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Law Enforcement Officers Special Separation Allowance

**Plan Description.** The City administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A stand-alone financial report is not issued for this plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>162</u>
Total	<u><u>177</u></u>

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

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

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

The annual required contribution for the fiscal year ended June 30, 2012, was determined as part of the December 31, 2010, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-employment benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2010, was 20 years.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

**Annual Pension Cost and Net Pension Obligation.** The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$	398,083
Interest on net pension obligation		40,511
Adjustment to annual required contribution		<u>(48,333)</u>
Annual pension cost		390,261
Contributions made		<u>310,419</u>
Increase in net pension obligation		79,842
Net pension obligation, beginning of year		<u>810,214</u>
Net pension obligation, end of year	\$	<u><u>890,056</u></u>

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 302,804	75.68%	\$ 700,025
6/30/2011	401,884	72.58%	810,214
6/30/2012	390,261	79.54%	890,056

**Funded Status and Funding Progress.** As of December 31, 2010, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$4,057,250, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,057,250.

The covered payroll (annual payroll of active employees covered by the plan) was \$7,852,898 and the ratio of the UAAL to the covered payroll was 51.67 percent.

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **Supplemental Retirement Income Plan**

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

**Funding Policy.** Article 12E of G. S. Chapter 143 requires the City to contribute each month an amount equal to 5% of covered payroll for law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 3% of the employees' salary.

The City's contributions were calculated using a covered payroll amount of \$8,187,038 for employees engaged in law enforcement and \$32,860,424 for all other full-time employees. Total contributions for the year ended June 30, 2012, were \$1,395,165, which consisted of \$409,352 for employees engaged in law enforcement and \$985,813 for all other employees. Voluntary contributions made by all City employees totaled \$735,253.

### **Fireman's and Rescue Squad Workers' Pension Fund**

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

**Funding Policy.** Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$22,165 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2012.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Other Post-Employment Benefits

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

Membership of the post employment health benefit plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	208
Active members	886
	<u>1,094</u>

**Funding Policy.** The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members, hired before 9/1/2009 that retire with at least 30 years of service or that retire with approved disability retirement, the City pays \$365.85 of the cost for pre-65 health care coverage for the retiree. Retirees will cease to be eligible for group health insurance at age 65. If hired on or after 9/1/2009, the City pays 100% of \$365.85 for 30 or more years, 75% for 20-29 years, and 50% for 15-19 years of service. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees must have at least 15 years of service with the City and retire under the Local Governmental Employees' Retirement System. For employees hired on or after July 1, 2009, retirees will cease to be eligible for coverage at age 65 or upon eligibility for Medicare. Disability retirees will receive coverage for twenty-four months or until eligible for Medicare, whichever comes first. In both cases above, the retiree will be responsible for paying the cost of dependent coverage if dependent coverage is elected. The City has chosen to fund healthcare benefits on a pay as you go basis.

The current annual required contribution rate (ARC) is 5.2% of annual covered payroll. For fiscal year 2012, the City contributed \$2,305,067, or 5.7% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2012, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 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.

### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the post-retirement benefits:

Annual required contribution	\$	2,096,518
Interest on net OPEB obligation		165,523
Adjustment to annual required contribution		(158,126)
Annual OPEB cost (expense)		2,103,915
Contributions made		2,305,067
Increase (decrease) in net OPEB obligation		(201,152)
Net OPEB obligation, beginning of year		4,138,084
Net OPEB obligation, end of year	\$	3,936,932

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<b>Three-Year Trend Information</b>			
<b>For Year Ended June 30</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2010	\$ 2,430,420	57.20%	\$ 3,570,064
2011	2,422,912	76.60%	4,138,084
2012	2,103,915	109.60%	3,936,932

As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$33,205,290. The covered payroll (annual payroll of active employees covered by the plan) was \$40,261,835, and the ratio of the UAAL to the covered payroll was 82.5%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

The annual required contribution for the current year was determined as part of the December 31, 2011, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.00% and (b) a 9.50% - 5.00% medical cost trend rate with 2018, the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

### **Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2012, the City made contributions to the State for death benefits of \$35,312. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 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 \$1,395,165 to the plans for the year ended June 30, 2012.

### 7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$850,000 for the year ended June 30, 2012. The City leases property under non-cancelable operating leases. The future minimum lease payments under these agreements are as follows:

Year Ending June 30	Amount
2013	\$ 850,000
2014	850,000
2015	850,000
2016	850,000
2017	850,000
2018-2022	4,250,000
2023-2024	1,700,000
	\$ 10,200,000

### 8. Deferred/Unearned Revenues

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

	Deferred Revenues	Unearned Revenues
Taxes receivable (General Fund)	\$ 2,002,232	\$ -
Accounts receivable (General Fund)	1,774,838	-
Assessments (General Fund)	2,641,251	-
Accounts receivable (other governmental funds)	9,979	-
Prepaid items (General Fund)	99,403	99,403
Total	\$ 6,527,703	\$ 99,403

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 9. Commitments

#### Construction

The City had outstanding commitments at June 30, 2012, of approximately \$2,134,340 for the Downtown Streetscape construction project, \$641,388 for the Point of delivery station on Greyson Road, \$75,000 for the engineering of substation #8, \$27,228 for the Hunter Hill widening project, \$24,671 for the Atlantic Avenue electric distribution lines, \$11,864 for the Country Club widening project, \$817,724 for the West Mount Drive gas extension project, \$338,131 for the Water Treatment plant sodium hypochlorite system, \$12,460 for the Tar River Water Treatment plant ferric and caustic pump system, \$1,054,467 for the Wastewater Treatment plant VSA oxygen system, and \$636,989 for the Long Branch drainage project. A portion of these improvements are being financed with installment notes and a revolving loan.

#### Purchases

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

### 10. Risk Management

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

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Line of Coverage	City's Net Retention
Workers' compensation and employers' liability	\$ 650,000
Property damage	100,000
General liability	50,000
Public officials/errors and omissions liability, law enforcement liability, and flood and earthquake	100,000
Auto liability and physical damage	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.

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 coverage's are generally reported when amounts are paid or, in the event of significant losses, when such amounts are probable and the amounts can be determined. The City has recorded an accrual totaling \$602,982 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$440,000.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000, and tax collector is bonded for \$50,000.

Changes in the reported liability for possible claims and judgments during fiscal years 2012 and 2011 are summarized as follows:

<b>Possible Claims and Judgments</b>	<b>2012</b>	<b>2011</b>
Balance, beginning	\$ 317,878	\$ 394,878
Current year claims and changes in estimates	1,002,554	501,300
Claim payments	(717,450)	(578,300)
Balance, ending	\$ 602,982	\$ 317,878

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2012 consist of the following:

<b>Long-Term Debt:</b>	<b>Serviced By</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
<b>Installment Purchases:</b>		
Building; due in monthly installments of \$85,989; maturing June 2019; interest at 4.16% (LGC)	\$ 6,256,326	\$ -
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21% (LGC)	133,726	2,220,802
Building; due in monthly installments of \$14,593 plus interest; maturing May 2013; interest at 2.44% (LGC)	32,627	127,898
Improvements; due in monthly installments of \$25,305 plus interest; maturing April 2016; interest at 2.04% (LGC)	569,932	594,102
Improvements; due in monthly installments of \$54,220 plus interest; maturing April 2014; interest at 2.94% (LGC)	652,784	540,062
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	307,347	546,862
Improvements; due in monthly installments of \$35,057; maturing April 2017; interest at 1.353% (LGC)	-	1,967,198
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	4,757,282
Equipment; due in monthly installments of \$6,525 plus interest; maturing May 2013; interest at 2.44%	71,780	-
Equipment; due in monthly installments of \$104,026; maturing April 2014; interest at 1.53%	964,904	1,290,444
Equipment; due in monthly installments of \$8,337; maturing October 2013; interest at 2.713%	52,110	-
Equipment; due in monthly installments of \$71,673; maturing May 2015; interest at 1.099%	1,220,696	1,246,956
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	723,843	-
Equipment; due in semi-annual installments of \$237,189; maturing January 2013; interest at 2.84%, after BAB rebate 1.85%	287,932	176,530
Total installment purchases	\$ 11,274,007	\$ 13,468,136

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

<b>Other Long-Term Debt:</b>	<b>Serviced By</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
HUD - Section 108 Loan Guarantee - Douglas Block project	\$ 2,510,000	\$ -
YMCA - Building purchase agreement	500,000	-
Other - NCDOT	834,046	-
Other - NCDENR (LGC)	-	5,268,013
Subtotal	3,844,046	5,268,013
Unfunded Special Separation Allowance	890,056	-
Other post-employment benefits	2,991,782	945,150
Total other long-term debt	7,725,884	6,213,163
Total outstanding	18,999,891	19,681,299
Less current portion	3,529,846	3,879,599
	\$ 15,470,045	\$ 15,801,700

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

Revolving loan due in annual payments of \$29,776 plus interest; maturing May 1, 2025; interest at 2.205% (LGC)	\$ 387,093
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Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,995,470
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Revolving loan due in annual payments of \$83,119; maturing May 1, 2032; interest at 0% (LGC)	1,662,373
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Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	223,077
	\$ 5,268,013

The unfunded special separation allowance and other post-employment benefits are typically liquidated by the General Fund.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Changes in Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>					
Installment purchases	\$ 12,477,111	\$ 1,255,000	\$ 2,458,104	\$ 11,274,007	\$ 2,836,202
Unfunded Special					
Separation Allowance	810,214	390,261	310,419	890,056	310,419
HUD Loan	2,655,000	-	145,000	2,510,000	145,000
YMCA	700,000	-	200,000	500,000	100,000
Other - NCDOT	492,785	354,662	13,401	834,046	138,225
Other post-employment benefits	3,145,864	-	154,082	2,991,782	-
Compensated absences	3,631,794	2,156,152	2,229,707	3,558,239	2,229,707
Total	<u>\$ 23,912,768</u>	<u>\$ 4,156,075</u>	<u>\$ 5,510,713</u>	<u>\$ 22,558,130</u>	<u>\$ 5,759,553</u>
<b>Business-Type Activities:</b>					
Installment purchases	\$ 12,951,382	\$ 3,282,000	\$ 2,765,246	\$ 13,468,136	\$ 3,567,094
Other - NCDENR	3,835,026	1,662,374	229,387	5,268,013	312,505
Other post-employment benefits	992,220	-	47,070	945,150	-
Compensated absences	750,085	560,722	564,054	746,753	564,055
Total	<u>\$ 18,528,713</u>	<u>\$ 5,505,096</u>	<u>\$ 3,605,757</u>	<u>\$ 20,428,052</u>	<u>\$ 4,443,654</u>

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Maturities of Long-Term Debt

The annual requirements to retire all debt outstanding, other than the accrual for possible claims and judgments, unfunded special separation allowance and other long-term debt at June 30, 2012, including interest, are as follows:

	Installment Purchases		Other	
	Principal	Interest	Principal	Interest
<b>Governmental Activities:</b>				
2013	\$ 2,836,202	\$ 348,893	\$ 383,225	\$ 79,794
2014	2,294,499	274,920	505,215	78,199
2015	1,565,172	218,396	518,606	75,922
2016	1,146,903	170,463	407,000	73,022
2017	1,065,140	125,580	245,000	69,499
2018-2022	2,366,091	117,377	725,000	280,900
2023-2027	-	-	725,000	147,018
2028-2029	-	-	335,000	15,501
Total governmental activities	<u>11,274,007</u>	<u>1,255,629</u>	<u>3,844,046</u>	<u>819,855</u>
<b>Business-Type Activities:</b>				
2013	3,567,094	385,096	312,505	77,581
2014	3,163,424	297,586	312,505	72,609
2015	2,351,922	221,573	312,505	67,637
2016	1,198,002	168,157	312,505	62,665
2017	1,032,986	129,865	312,505	57,693
2018-2022	2,154,708	181,025	1,562,524	213,888
2023-2027	-	-	1,502,973	90,247
2028-2032	-	-	639,991	4,315
Total business-type activities	<u>13,468,136</u>	<u>1,383,302</u>	<u>5,268,013</u>	<u>646,635</u>
<b>Total</b>	<u>\$ 24,742,143</u>	<u>\$ 2,638,931</u>	<u>\$ 9,112,059</u>	<u>\$ 1,466,490</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, 2012, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$310,505,323.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rollin Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2012, the Rolling Meadows Apartments – Series 2006 is the only revenue bond outstanding, with an aggregate principal amount payable of \$4,800,000.

### 12. Interfund Balances and Activity

#### Due To/From Other Funds

The composition of interfund balances as of June 30, 2012, are as follows:

#### Due To/From Other Funds

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Receivable Fund</u>
	<u>General</u>	<u>Gas</u>
Emergency Management	\$ 1,430,976	\$ -
Entitlement Grants	114,671	-
Economic Development	11,501	-
Public Safety	68,740	-
General Capital Development	909,569	-
Water	-	167,995
	<u>\$ 2,535,457</u>	<u>\$ 167,995</u>

The amounts due to the General Fund from the nonmajor governmental funds represents \$2,535,457 cash advances to cover expenses in the Special Revenue funds and Capital Project fund. Amounts due to the Gas fund represent \$167,995 remaining in cash advances to cover expenses in the Water fund from fiscal year 2009.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Transfers To/From Other Funds

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor</u>		
		<u>Governmental</u>	<u>Enterprise</u>	
General Fund	\$ -	\$ 609,660	\$ 200,000	\$ 809,660
Nonmajor Governmental Funds	885,091	67,135		952,226
Electric Fund	1,500,000	-	-	1,500,000
Gas Fund	1,266,000	-	-	1,266,000
Water Fund	500,000	-	-	500,000
<b>Total</b>	<u>\$ 4,151,091</u>	<u>\$ 676,795</u>	<u>\$ 200,000</u>	<u>\$ 5,027,886</u>

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

The transfer between the General Fund and nonmajor enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds.

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

### 13. Jointly Governed Organizations

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

#### **Braswell Memorial Library**

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve-member Council of Trustees of the Library. The City appoints three of the twelve Council members. The City contributed \$625,776 to the library's operating purposes during the year ended June 30, 2012.

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **North Carolina Eastern Municipal Power Agency**

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

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

To finance its ownership interest in the Initial Project, the Agency issued bonds. At December 31, 2011, \$2,254,510,000 of the bonds were outstanding (plus unamortized premium of \$26,808,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

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

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

### **14. Joint Ventures**

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

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven-member council of commissioners of the Authority. The City appoints two of the seven Council members. The City has an ongoing financial responsibility for the airport and contributed \$95,712 to the Authority for operating purposes and capital outlay during the year ended June 30, 2012. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,645,006 (cost of \$13,264,122 less accumulated depreciation of \$5,619,116 has been reflected in the City's Statement of Net Assets as capital assets at June 30, 2012. The current year decrease in the investment of

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

contributions to the Authority during the year ended June 30, 2012. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

### 15. Related Organization

#### Rocky Mount Housing Authority

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low income families who cannot afford private housing. The mayor of the City appoints the entire Council of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2012, this payment totaled \$30,898.

### 16. Utility Service Fees

The General Fund charges the enterprise funds a utility service fee to reimburse the General Fund for overhead expenses which are not specifically identified with the utility operations. Utility service fees totaling \$11,042,995 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General Fund.

The Electric Fund charges all City departments a telephone fee based on usage to reimburse the Electric Fund for services, maintenance and debt associated with the telephone system. Telephone fees totaling \$587,214 are recorded as operating expense in each City department and as a reduction of operating expenses in the Electric Fund.

### 17. Stewardship, Compliance and Accountability

#### Federal and State Funds

The City participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2012 these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of OMB Circular A-133 and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### 18. Significant Contingencies

#### Environmental Concerns

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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. The City is currently moving forward with establishing Declaration of Perpetual Land Use Restrictions (DPLURs) for the property which restricts groundwater use and soil exposure at the site. The restrictions, once finalized, will be included on the property deed in accordance with NCDENR requirements. Long-term groundwater monitoring will be initiated during the 3<sup>rd</sup> Quarter of 2012. Quarterly groundwater monitoring will occur for a year as outlined in the RAP. Monitoring frequency will be evaluated over time based upon groundwater quality trends. As of June 30, 2012 the City has paid \$962,329 in costs for remediation.

### **Appropriation to School System**

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

The Council was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$555,257 for the year ended June 30, 2012.

### **Litigation Matters**

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

## **19. Discretely Presented Component Unit**

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

### **Deposits**

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

### **Capital Assets**

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

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

Long-term debt at December 31, 2011, and collateral pledged, thereon, consists of the following:

Note payable to bank ("A Note"), interest due monthly at 0.5%, principal and interest payments commence on July 2012, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2011, was \$6,499,000.

Note payable to bank ("B Note"), interest accrues at 1.0% and payments commence July 2012, principal payments commence January 2015, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2011, was \$1,801,863.

The Rocky Mount Business Development Authority ("BDA") is the guarantor of the debt, and the lender may require the BDA to purchase the loan after the seventh year. The City has placed escrow funds totaling \$6,499,000 in a cash collateral account owned by the Rocky Mount Business Development Authority ("BDA") and collateralized by the lender. At the end of seven years, the BDA has the right to use the cash collateral account to pay Note A in full. Additionally, the BDA and lender have entered into an agreement, whereby the lender agrees that if the Theatre remains in compliance with the covenants of the loan agreement, the lender will make a charitable contribution to the BDA in the amount of the B Note, plus interest accrued thereon.

On March 12, 2012, the long-term debts listed as "A Note" and "B Note" were sold by the lender to the BDA.

### **20. Related Party Transactions**

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

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



**REQUIRED  
SUPPLEMENTAL FINANCIAL DATA**

This section contains information required by generally accepted accounting principles.



## CITY OF ROCKY MOUNT, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2012

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) -Projected Unit Credit B					
12/31/02	\$ -	\$ 1,818,091		\$ 1,818,091	0.00%	\$ 5,079,552	35.79%
12/31/03	-	2,090,613		2,090,613	0.00%	5,329,225	39.23%
12/31/04	-	2,205,545		2,205,545	0.00%	5,219,243	42.26%
12/31/05	-	2,187,659		2,187,659	0.00%	6,024,089	36.32%
12/31/06	-	2,501,361		2,501,361	0.00%	5,783,996	43.25%
12/31/07	-	2,748,305		2,748,305	0.00%	6,181,307	44.46%
12/31/08	-	2,831,425		2,831,425	0.00%	6,540,884	43.29%
12/31/09	-	3,835,812		3,835,812	0.00%	7,836,077	48.95%
12/31/10	-	3,848,097		3,848,097	0.00%	7,853,868	49.00%
12/31/11	-	4,057,250		4,057,250	0.00%	7,852,898	51.67%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2003	\$ 176,638	60.23%
2004	198,195	76.92%
2005	217,166	75.00%
2006	227,572	94.62%
2007	226,351	108.51%
2008	245,051	106.96%
2009	277,705	90.39%
2010	296,850	77.20%
2011	404,360	72.14%
2012	398,083	77.98%

## Notes to the Required Schedules:

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

Additional information as of the latest valuation follows:

Valuation date	12/31/2010	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	20 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5.00%	* Includes inflation at 3.0%
Projected salary increases *	4.25 - 7.85%	
Cost of living adjustments	N/A	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST - EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2012**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		B	B - A				
12/31/05	\$ -	\$ 26,003,197	\$26,003,197		0.00%	\$ 31,877,912	81.6%
12/31/06	-	25,079,116	25,079,116		0.00%	33,339,163	75.2%
12/31/07	-	31,660,867	31,660,867		0.00%	32,250,543	98.2%
12/31/08	-	37,133,950	37,133,950		0.00%	34,732,711	106.9%
12/31/09	-	29,853,713	29,853,713		0.00%	41,748,252	71.5%
12/31/10	-	27,043,309	27,043,309		0.00%	41,186,985	65.7%
12/31/11	-	33,205,290	33,205,290		0.00%	40,261,835	82.5%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	\$ 2,532,013	57.75%
2009	2,926,108	50.30%
2010	2,416,530	57.53%
2011	2,416,530	76.76%
2012	2,096,518	109.90%

## Notes to the Required Schedules:

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

Additional information as of the latest valuation follows:

Valuation date	12/31/2011	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 9.5%	
Year of Ultimate trend rate	2018	

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Revenues:</b>			
<b>Taxes:</b>			
<b>Ad Valorem Taxes:</b>			
Current year	\$ 21,000,000	\$ 20,901,128	\$ (98,872)
Prior years	430,000	728,388	298,388
Penalties and interest	185,000	234,070	49,070
Total	<u>21,615,000</u>	<u>21,863,586</u>	<u>248,586</u>
<b>Intergovernmental Revenues:</b>			
Payment in lieu of taxes	1,272,910	1,282,108	9,198
Local option sales tax	8,845,000	9,295,496	450,496
Telecommunications tax	900,000	873,769	(26,231)
Franchise tax	3,050,000	2,945,703	(104,297)
Tax refunds	30,000	133,666	103,666
Beer and wine tax	247,000	249,920	2,920
ABC revenues	53,190	79,744	26,554
Court facilities fees	167,000	120,722	(46,278)
State grants	1,822,485	2,510,193	687,708
On behalf payments - fire	-	22,165	22,165
Other	1,190,205	1,157,310	(32,895)
Total	<u>17,577,790</u>	<u>18,670,796</u>	<u>1,093,006</u>
<b>Licenses, Permits and Other Taxes:</b>			
Privilege licenses	160,000	141,279	(18,721)
Buildings permits and inspection fees	440,350	463,909	23,559
Rental vehicle tax	50,000	60,270	10,270
Animal tax	26,000	22,991	(3,009)
Other	245,500	233,364	(12,136)
Total	<u>921,850</u>	<u>921,813</u>	<u>(37)</u>
<b>Sales and Service:</b>			
Solid waste and recycling charge	3,729,000	3,605,247	(123,753)
Reconnection charges	310,000	322,439	12,439
Weed control charges	60,000	56,083	(3,917)
Cemetery revenues	143,000	136,992	(6,008)
Sale of fixed assets	122,000	141,306	19,306
Recreation department fee	763,150	784,988	21,838
Traffic maintenance charges	15,000	5,744	(9,256)
Transfer station charges	2,650,000	2,828,552	178,552
Concessions	171,000	140,860	(30,140)
Other	479,560	464,797	(14,763)
Total	<u>8,442,710</u>	<u>8,487,008</u>	<u>44,298</u>
Investment Earnings	<u>129,300</u>	<u>68,548</u>	<u>(60,752)</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, 2012**

	<b>2012</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive/(Negative)</b>
<b>Miscellaneous:</b>			
Insurance	15,600	4,337	(11,263)
Demolition assessment	70,000	48,242	(21,758)
Excess utility tax	450,000	306,858	(143,142)
Rents	247,300	237,098	(10,202)
Contributions	241,092	284,175	43,083
Parking	3,500	3,224	(276)
Other	231,475	243,694	12,219
Total	<u>1,258,967</u>	<u>1,127,628</u>	<u>(131,339)</u>
Total revenues	<u>49,945,617</u>	<u>51,139,379</u>	<u>1,193,762</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Mayor and City Council:</b>			
Salaries	66,080	66,080	-
Employee benefits	44,770	43,664	1,106
Operating expenses	583,360	374,762	208,598
Utility service fee	(269,600)	(269,600)	-
Total	<u>424,610</u>	<u>214,906</u>	<u>209,704</u>
<b>City Clerk:</b>			
Salaries	197,950	197,446	504
Employee benefits	53,390	53,113	277
Operating expenses	29,000	28,178	822
Utility service fee	(106,800)	(106,800)	-
Total	<u>173,540</u>	<u>171,937</u>	<u>1,603</u>
<b>Community Services:</b>			
Operating expenses	820,082	809,881	10,201
Utility service fee	(348,300)	(348,300)	-
Total	<u>471,782</u>	<u>461,581</u>	<u>10,201</u>
<b>City Manager:</b>			
Salaries	644,450	643,037	1,413
Employee benefits	150,250	148,147	2,103
Operating expenses	68,935	66,807	2,128
Capital outlay	2,755	2,749	6
Utility service fee	(299,500)	(299,500)	-
Total	<u>566,890</u>	<u>561,240</u>	<u>5,650</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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Public Affairs:</b>			
Salaries	120,810	115,094	5,716
Employee benefits	35,240	32,118	3,122
Operating expenses	24,050	16,759	7,291
Capital outlay	5,000	635	4,365
Utility service fee	(77,400)	(77,400)	-
Total	107,700	87,206	20,494
<b>Downtown Development:</b>			
Salaries	87,810	87,795	15
Employee benefits	21,870	21,790	80
Operating expenses	70,590	63,599	6,991
Utility service fee	(63,000)	(63,000)	-
Total	117,270	110,184	7,086
<b>Finance:</b>			
<b>Administration:</b>			
Salaries	201,960	201,935	25
Employee benefits	52,990	52,971	19
Operating expenses	945,064	773,634	171,430
Utility service fee	(1,097,800)	(1,028,540)	(69,260)
Total	102,214	-	102,214
<b>Accounting:</b>			
Salaries	442,340	442,321	19
Employee benefits	112,690	112,668	22
Operating expenses	40,300	35,995	4,305
Utility service fee	(538,400)	(538,400)	-
Total	56,930	52,584	4,346
<b>Purchasing:</b>			
Salaries	345,480	345,448	32
Employee benefits	95,360	94,288	1,072
Operating expenses	46,230	29,379	16,851
Utility service fee	(444,400)	(444,400)	-
Total	42,670	24,715	17,955
<b>Utility Billing:</b>			
Salaries	1,909,940	1,881,764	28,176
Employee benefits	532,040	527,058	4,982
Operating expenses	694,980	494,303	200,677
Utility service fee	(3,068,500)	(2,884,110)	(184,390)
Total	68,460	19,015	49,445

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Information Systems:</b>			
Salaries	600,990	570,146	30,844
Employee benefits	146,635	131,477	15,158
Operating expenses	821,695	720,630	101,065
Capital outlay	369,884	266,155	103,729
Utility service fee	(1,752,500)	(1,688,408)	(64,092)
Total	186,704	-	186,704
Total finance	456,978	96,314	360,664
<b>Central Services:</b>			
<b>Municipal Building:</b>			
Salaries	304,520	252,729	51,791
Employee benefits	88,510	72,707	15,803
Operating expenses	672,600	603,436	69,164
Capital outlay	42,500	33,605	8,895
Utility service fee	(861,300)	(861,300)	-
Total	246,830	101,177	145,653
<b>Print Shop:</b>			
Operating expenses	213,000	151,406	61,594
Utility service fee	(106,500)	(106,500)	-
Total	106,500	44,906	61,594
<b>Judicial Center:</b>			
Salaries	123,784	105,345	18,439
Employee benefits	29,220	29,179	41
Operating expenses	114,315	101,997	12,318
Capital outlay	4,600	4,580	20
Total	271,919	241,101	30,818
Total central services	625,249	387,184	238,065
<b>Planning and Development:</b>			
<b>Planning Administration:</b>			
Salaries	421,460	347,517	73,943
Employee benefits	108,534	95,697	12,837
Operating expenses	48,396	43,206	5,190
Total	578,390	486,420	91,970

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Inspections:</b>			
Salaries	480,290	453,096	27,194
Employee benefits	133,530	117,080	16,450
Operating expenses	69,810	58,448	11,362
Total	683,630	628,624	55,006
<b>CDBG Entitlement Grant:</b>			
Salaries	215,970	215,963	7
Employee benefits	56,690	56,683	7
Operating expenses	10,710	5,282	5,428
Total	283,370	277,928	5,442
<b>Neighborhood Redevelopment:</b>			
Operating expenses	748,090	529,106	218,984
Total	748,090	529,106	218,984
Total planning and development	2,293,480	1,922,078	371,402
<b>Human Resources:</b>			
Salaries	579,150	576,899	2,251
Employee benefits	815,645	789,188	26,457
Operating expenses	136,320	92,170	44,150
Utility service fee	(663,900)	(663,900)	-
Total human resources	867,215	794,357	72,858
<b>Human Relations:</b>			
Salaries	218,210	218,179	31
Employee benefits	59,530	59,517	13
Operating expenses	23,680	23,271	409
Total human relations	301,420	300,967	453
Total general government	6,406,134	5,107,954	1,298,180
<b>Public Safety:</b>			
<b>Police:</b>			
<b>Administration:</b>			
Salaries	637,700	637,650	50
Employee benefits	95,290	95,253	37
Operating expenses	139,882	139,881	1
Total	872,872	872,784	88
<b>Administrative Services:</b>			
Salaries	1,327,310	1,311,058	16,252
Employee benefits	358,200	351,182	7,018
Operating expenses	122,450	119,082	3,368
Total	1,807,960	1,781,322	26,638

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Staff Services:</b>			
Salaries	1,843,280	1,842,871	409
Employee benefits	549,820	539,395	10,425
Operating expenses	450,390	435,865	14,525
Capital outlay	73,500	58,104	15,396
Total	2,916,990	2,876,235	40,755
<b>Field Operations:</b>			
Salaries	4,758,320	4,714,788	43,532
Employee benefits	1,409,520	1,409,437	83
Operating expenses	566,340	565,580	760
Capital outlay	385,000	301,760	83,240
Total	7,119,180	6,991,565	127,615
<b>Investigative Services:</b>			
Salaries	1,096,420	1,096,325	95
Employee benefits	302,130	302,129	1
Operating expenses	58,200	55,162	3,038
Capital outlay	25,000	19,215	5,785
Total	1,481,750	1,472,831	8,919
Total police	14,198,752	13,994,737	204,015
<b>Fire:</b>			
<b>Administration:</b>			
Salaries	127,090	111,287	15,803
Employee benefits	83,284	83,284	-
Operating expenses	338,936	322,008	16,928
Capital outlay	81,487	22,662	58,825
Total	630,797	539,241	91,556
<b>Operations:</b>			
Salaries	6,698,288	6,698,183	105
Employee benefits	1,768,226	1,760,626	7,600
Operating expenses	612,748	566,393	46,355
Capital outlay	502,000	477,064	24,936
Total	9,581,262	9,502,266	78,996
<b>Prevention:</b>			
Salaries	402,972	402,356	616
Employee benefits	100,650	92,608	8,042
Operating expenses	28,690	25,916	2,774
Total	532,312	520,880	11,432

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Training:</b>			
Salaries	224,310	213,045	11,265
Employee benefits	55,660	52,471	3,189
Operating expenses	37,600	29,292	8,308
Capital outlay	1,000	-	1,000
Total	318,570	294,808	23,762
Total fire	11,062,941	10,857,195	205,746
Total public safety	25,261,693	24,851,932	409,761
<b>Public Works:</b>			
<b>Administration:</b>			
Salaries	148,870	137,318	11,552
Employee benefits	34,300	34,267	33
Operating expenses	45,120	43,993	1,127
Total	228,290	215,578	12,712
<b>Street and Row Maintenance:</b>			
Salaries	822,790	666,515	156,275
Employee benefits	239,020	189,501	49,519
Operating expenses	1,383,474	1,264,499	118,975
Capital outlay	199,602	164,270	35,332
Service charges	(563,024)	(571,193)	8,169
Total	2,081,862	1,713,592	368,270
<b>Housing Code Enforcement:</b>			
Salaries	472,300	467,199	5,101
Employee benefits	125,580	125,380	200
Operating expenses	328,300	290,917	37,383
Total	926,180	883,496	42,684
<b>Environmental Service:</b>			
Salaries	1,814,310	1,810,306	4,004
Employee benefits	615,900	615,758	142
Operating expenses	3,707,115	3,688,674	18,441
Capital outlay	1,777,634	1,319,937	457,697
Total	7,914,959	7,434,675	480,284

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Fleet Maintenance:</b>			
Salaries	813,100	813,027	73
Employee benefits	222,340	219,375	2,965
Operating expenses	2,773,790	2,742,615	31,175
Capital outlay	19,188	19,188	-
Service charges	(3,582,300)	(3,582,540)	240
Total	246,118	211,665	34,453
Total public works	11,397,409	10,459,006	938,403
<b>Engineering:</b>			
<b>Administration:</b>			
Salaries	776,070	742,769	33,301
Employee benefits	202,570	188,973	13,597
Operating expenses	107,995	71,515	36,480
Utility service fee	(520,300)	(520,300)	-
Total	566,335	482,957	83,378
<b>Traffic:</b>			
Salaries	462,250	460,087	2,163
Employee benefits	147,650	147,646	4
Operating expenses	356,673	314,574	42,099
Capital outlay	29,700	27,927	1,773
Utility service fee	(463,100)	(463,100)	-
Total	533,173	487,134	46,039
Total engineering	1,099,508	970,091	129,417
<b>Parks and Recreation:</b>			
<b>Administration:</b>			
Salaries	265,590	265,528	62
Employee benefits	68,540	68,510	30
Operating expenses	194,910	166,453	28,457
Capital outlay	1,500	1,500	-
Total	530,540	501,991	28,549
<b>Athletics:</b>			
Salaries	341,410	341,361	49
Employee benefits	71,240	71,169	71
Operating expenses	110,700	109,627	1,073
Total	523,350	522,157	1,193
<b>Cultural Arts:</b>			
Salaries	461,510	461,509	1
Employee benefits	96,630	96,610	20
Operating expenses	195,999	181,880	14,119
Capital outlay	3,000	1,448	1,552
Total	757,139	741,447	15,692

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Amusements and Special Events:</b>			
Salaries	55,130	55,083	47
Employee benefits	16,590	16,586	4
Operating expenses	200,902	179,305	21,597
Capital outlay	1,068	1,068	-
Total	273,690	252,042	21,648
<b>Museum:</b>			
Salaries	331,110	331,110	-
Employee benefits	71,360	71,359	1
Operating expenses	94,020	93,964	56
Total	496,490	496,433	57
<b>Parks Maintenance:</b>			
Salaries	958,540	958,468	72
Employee benefits	266,430	266,429	1
Operating expenses	626,060	625,558	502
Capital outlay	37,150	37,140	10
Total	1,888,180	1,887,595	585
<b>Cemetery Operations:</b>			
Salaries	266,410	266,409	1
Employee benefits	76,960	76,375	585
Operating expenses	86,420	76,385	10,035
Total	429,790	419,169	10,621
<b>Outdoor Programs:</b>			
Salaries	127,620	127,614	6
Employee benefits	22,550	22,544	6
Operating expenses	35,878	32,842	3,036
Total	186,048	183,000	3,048
<b>Neighborhood Programs:</b>			
Salaries	622,200	613,053	9,147
Employee benefits	93,710	93,673	37
Operating expenses	165,690	165,558	132
Total	881,600	872,284	9,316
<b>Senior Programs:</b>			
Salaries	214,060	214,023	37
Employee benefits	37,480	37,474	6
Operating expenses	186,840	186,671	169
Capital outlay	16,273	16,273	-
Total	454,653	454,441	212

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, 2012

	2012		
	Final Budget	Actual	Variance Positive/(Negative)
<b>Sports Complex:</b>			
Salaries	138,230	138,215	15
Employee benefits	19,350	19,266	84
Operating expenses	321,692	301,775	19,917
Capital outlay	74,000	72,201	1,799
Total	553,272	531,457	21,815
<b>Imperial Centre:</b>			
Salaries	115,450	115,443	7
Employee benefits	15,750	15,746	4
Operating expenses	1,286,225	1,284,310	1,915
Capital outlay	19,976	19,968	8
Total	1,437,401	1,435,467	1,934
Total parks and recreation	8,412,153	8,297,483	114,670
<b>Public Service:</b>			
Capital outlay	2,396,896	1,040,947	1,355,949
<b>Debt service expenditures:</b>			
Principal	2,833,253	2,713,104	120,149
Interest	420,207	420,207	-
Total debt service expenditures	3,253,460	3,133,311	120,149
Total expenditures	58,227,253	53,860,724	4,366,529
Revenues over (under) expenditures	(8,281,636)	(2,721,345)	5,560,291
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(818,250)	(809,660)	8,590
Transfers from other funds	4,285,091	4,151,091	(134,000)
Installment purchase financing issued	1,736,000	1,255,000	(481,000)
Total other financing sources (uses):	5,202,841	4,596,431	(606,410)
Revenues and other financing sources over (under) expenditures and other financing uses	(3,078,795)	1,875,086	4,953,881
Fund balance appropriated	3,078,795	-	(3,078,795)
Net change in fund balance	\$ -	1,875,086	\$ 1,875,086
<b>Fund Balance:</b>			
Beginning of year, July 1		18,944,626	
End of year, June 30		\$ 20,819,712	

## **NON MAJOR GOVERNMENTAL FUNDS**



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 1,419,047	\$ 846,500	\$ 2,265,547
Receivables - net:			
Ad valorem taxes	-	9,979	9,979
Other governmental agencies	2,249,411	2,866,537	5,115,948
Other	331,946	-	331,946
Prepaid items	128,890	-	128,890
Restricted cash and investments	-	1,699	1,699
Total assets	<u>\$ 4,129,294</u>	<u>\$ 3,724,715</u>	<u>\$ 7,854,009</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 169,867	\$ 580,946	\$ 750,813
Deferred revenue	-	9,979	9,979
Deposits	20,500	-	20,500
Due to other funds	<u>1,625,888</u>	<u>909,569</u>	<u>2,535,457</u>
Total liabilities	<u>1,816,255</u>	<u>1,500,494</u>	<u>3,316,749</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid items	128,890	-	128,890
<b>Restricted:</b>			
Stabilization by State statute	2,581,357	2,866,537	5,447,894
Future capital projects	-	1,699	1,699
Public safety	347,339	-	347,339
Parks and recreation	213,993	-	213,993
<b>Committed</b>			
Public service	767,850	-	767,850
<b>Assigned</b>			
	-	841,164	841,164
<b>Unassigned</b>			
	<u>(1,726,390)</u>	<u>(1,485,179)</u>	<u>(3,211,569)</u>
Total fund balances	<u>2,313,039</u>	<u>2,224,221</u>	<u>4,537,260</u>
Total liabilities and fund balances	<u>\$ 4,129,294</u>	<u>\$ 3,724,715</u>	<u>\$ 7,854,009</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, 2012**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ 76,398	\$ 76,398
Intergovernmental	5,335,246	3,103,904	8,439,150
Project	7,571,153	-	7,571,153
Investment earnings	884	910	1,794
Miscellaneous	43,657	28,170	71,827
Total revenues	<u>12,950,940</u>	<u>3,209,382</u>	<u>16,160,322</u>
<b>Expenditures:</b>			
General government	-	711,148	711,148
Public safety	608,740	43,487	652,227
Parks and recreation	31,008	134,851	165,859
Public service	4,288,016	4,781,240	9,069,256
Emergency management	5,418,215	-	5,418,215
Community revitalization	2,170,571	-	2,170,571
Debt service:			
Principal	90,000	-	90,000
Interest	72,449	-	72,449
Total expenditures	<u>12,678,999</u>	<u>5,670,726</u>	<u>18,349,725</u>
Revenues over (under) expenditures	<u>271,941</u>	<u>(2,461,344)</u>	<u>(2,189,403)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(885,091)	(67,135)	(952,226)
Transfers from other funds	364,390	312,405	676,795
Total other financing sources (uses)	<u>(520,701)</u>	<u>245,270</u>	<u>(275,431)</u>
Net change in fund balances	(248,760)	(2,216,074)	(2,464,834)
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>2,561,799</u>	<u>4,440,295</u>	<u>7,002,094</u>
End of year, June 30	<u>\$ 2,313,039</u>	<u>\$ 2,224,221</u>	<u>\$ 4,537,260</u>

# **NON MAJOR SPECIAL REVENUE FUNDS**

## **Public Transportation Grants Fund**

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

## **Entitlement Grants Fund**

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

## **Crime/Safety Control Fund**

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

## **Economic Development Fund**

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

## **Emergency 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 monies received from the local telephone company from a monthly charge to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

## **Occupancy Tax**

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 895,390	\$ -	\$ -
Receivables - net:			
Other governmental agencies	440,730	183,812	101,196
Other	262,012	2,356	-
Prepaid items	96,000	32,890	-
Total assets	<u>\$ 1,694,132</u>	<u>\$ 219,058</u>	<u>\$ 101,196</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	\$ 127,540	\$ 31,660	\$ 10,667
Deposits	-	20,500	-
Due to other funds	-	114,671	68,740
Total liabilities	<u>127,540</u>	<u>166,831</u>	<u>79,407</u>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
Prepaid expenses	96,000	32,890	-
<b>Restricted:</b>			
Stabilization by State statute	702,742	186,168	101,196
Public safety	-	-	37,675
Parks and recreation	-	-	-
<b>Committed</b>	767,850	-	-
<b>Unassigned</b>	-	(166,831)	(117,082)
Total fund balance (deficit)	<u>1,566,592</u>	<u>52,227</u>	<u>21,789</u>
Total liabilities and fund balance	<u>\$ 1,694,132</u>	<u>\$ 219,058</u>	<u>\$ 101,196</u>

**Schedule D-1**

<u>Economic Development</u>	<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	\$ -	\$ 309,664	\$ 213,993	\$ 1,419,047
-	1,459,636	28,788	35,249	2,249,411
67,578	-	-	-	331,946
-	-	-	-	128,890
<u>\$ 67,578</u>	<u>\$ 1,459,636</u>	<u>\$ 338,452</u>	<u>\$ 249,242</u>	<u>\$ 4,129,294</u>
\$ -	\$ -	\$ -	\$ -	\$ 169,867
-	-	-	-	20,500
11,501	1,430,976	-	-	1,625,888
<u>11,501</u>	<u>1,430,976</u>	<u>-</u>	<u>-</u>	<u>1,816,255</u>
-	-	-	-	128,890
67,578	1,459,636	28,788	35,249	2,581,357
-	-	309,664	-	347,339
-	-	-	213,993	213,993
-	-	-	-	767,850
<u>(11,501)</u>	<u>(1,430,976)</u>	<u>-</u>	<u>-</u>	<u>(1,726,390)</u>
<u>56,077</u>	<u>28,660</u>	<u>338,452</u>	<u>249,242</u>	<u>2,313,039</u>
<u>\$ 67,578</u>	<u>\$ 1,459,636</u>	<u>\$ 338,452</u>	<u>\$ 249,242</u>	<u>\$ 4,129,294</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, 2012**

	<u>Public Transportation Grants</u>	<u>Entitlement Grants</u>	<u>Crime/ Safety Control</u>	<u>Economic Development</u>
<b>Revenues:</b>				
Intergovernmental	\$ 1,922,716	\$ 1,815,795	\$ 619,313	\$ 130,719
Project	1,994,145	157,267	-	-
Investment earnings	-	-	16	-
Miscellaneous	16,494	-	29	-
Total revenues	<u>3,933,355</u>	<u>1,973,062</u>	<u>619,358</u>	<u>130,719</u>
<b>Expenditures:</b>				
Public safety	-	-	608,740	-
Parks and recreation	-	-	31,008	-
Public service	4,052,506	-	-	-
Emergency management	-	-	-	-
Community revitalization	-	1,983,851	-	186,720
Debt service:				
Principal	-	90,000	-	-
Interest	-	72,449	-	-
Total expenditures	<u>4,052,506</u>	<u>2,146,300</u>	<u>639,748</u>	<u>186,720</u>
Revenues over (under) expenditures	<u>(119,151)</u>	<u>(173,238)</u>	<u>(20,390)</u>	<u>(56,001)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(25,000)	-	-	-
Transfers from other funds	289,929	70,576	3,885	-
Total other financing sources (uses)	<u>264,929</u>	<u>70,576</u>	<u>3,885</u>	<u>-</u>
Net change in fund balances	145,778	(102,662)	(16,505)	(56,001)
<b>Fund Balance:</b>				
Beginning of year, July 1	1,420,814	154,889	38,294	112,078
End of year , June 30	<u>\$ 1,566,592</u>	<u>\$ 52,227</u>	<u>\$ 21,789</u>	<u>\$ 56,077</u>

**Schedule D-2**

<u>Emergency Management</u>	<u>Emergency Telephone System</u>	<u>Occupancy Tax</u>	<u>Total</u>
\$ -	345,452	\$ 501,251	\$ 5,335,246
5,419,741	-	-	7,571,153
-	336	532	884
27,134	-	-	43,657
<u>5,446,875</u>	<u>345,788</u>	<u>501,783</u>	<u>12,950,940</u>
-	-	-	608,740
-	-	-	31,008
-	235,510	-	4,288,016
5,418,215	-	-	5,418,215
-	-	-	2,170,571
-	-	-	90,000
-	-	-	72,449
<u>5,418,215</u>	<u>235,510</u>	<u>-</u>	<u>12,678,999</u>
<u>28,660</u>	<u>110,278</u>	<u>501,783</u>	<u>271,941</u>
-	(140,091)	(720,000)	(885,091)
<u>-</u>	<u>-</u>	<u>-</u>	<u>364,390</u>
<u>-</u>	<u>(140,091)</u>	<u>(720,000)</u>	<u>(520,701)</u>
28,660	(29,813)	(218,217)	(248,760)
-	368,265	467,459	2,561,799
<u>\$ 28,660</u>	<u>\$ 338,452</u>	<u>\$ 249,242</u>	<u>\$ 2,313,039</u>

## 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, 2012

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 4,813,051	\$ 2,354,845	\$ 1,922,716	\$ 4,277,561
Project revenues	3,462,266	1,954,463	1,994,145	3,948,608
Miscellaneous	15,000	8,760	16,494	25,254
Total revenues	<u>8,290,317</u>	<u>4,318,068</u>	<u>3,933,355</u>	<u>8,251,423</u>
<b>Expenditures:</b>				
<b>Public Service:</b>				
Operating	7,552,009	3,345,140	3,569,228	6,914,368
Capital outlay	1,361,972	799,887	483,278	1,283,165
Total expenditures	<u>8,913,981</u>	<u>4,145,027</u>	<u>4,052,506</u>	<u>8,197,533</u>
Revenues over (under) expenditures	<u>(623,664)</u>	<u>173,041</u>	<u>(119,151)</u>	<u>53,890</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	558,664	156,326	289,929	446,255
Transfers to other funds	(25,000)	-	(25,000)	(25,000)
Fund balance appropriated	90,000	-	-	-
Total other financing sources (uses)	<u>623,664</u>	<u>156,326</u>	<u>264,929</u>	<u>421,255</u>
Adjustment for closed projects	<u>-</u>	<u>1,091,447</u>		<u>1,091,447</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,420,814</u>	145,778	<u>\$ 1,566,592</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>1,420,814</u>	
End of year, June 30			<u>\$ 1,566,592</u>	

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

Revenues:	
Intergovernmental	\$ 2,273,304
Project revenues	461,447
Miscellaneous	6,703
Total revenues:	<u>2,741,454</u>
Expenditures:	
Operating	3,002,315
Capital outlay	207,115
Total expenditures:	<u>3,209,430</u>
Revenues over (under) expenditures	<u>\$ (467,976)</u>
Transfers from other funds	<u>506,254</u>
Adjustment to Fund Balance	<u>\$ 38,278</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, 2012

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 17,131,583	\$ 12,007,019	\$ 1,815,795	\$ 13,822,814
Project revenues	1,784,397	1,817,478	157,267	1,974,745
Investment earnings	-	9,855	-	9,855
Miscellaneous	-	12,567	-	12,567
Total revenues	<u>18,915,980</u>	<u>13,846,919</u>	<u>1,973,062</u>	<u>15,819,981</u>
<b>Expenditures:</b>				
Community revitalization program:				
Operating	19,032,733	13,966,873	1,983,851	15,950,724
Capital outlay	296,679	296,678	-	296,678
Debt service:				
Principal	90,000	-	90,000	90,000
Interest	<u>130,209</u>	<u>-</u>	<u>72,449</u>	<u>72,449</u>
Total expenditures	<u>19,549,621</u>	<u>14,263,551</u>	<u>2,146,300</u>	<u>16,409,851</u>
Revenues over (under) expenditures	<u>(633,641)</u>	<u>(416,632)</u>	<u>(173,238)</u>	<u>(589,870)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>633,641</u>	<u>571,521</u>	<u>70,576</u>	<u>642,097</u>
Total other financing sources (uses)	<u>633,641</u>	<u>571,521</u>	<u>70,576</u>	<u>642,097</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 154,889</u>	<u>(102,662)</u>	<u>\$ 52,227</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>154,889</u>	
End of year, June 30			<u>\$ 52,227</u>	

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

<b>Revenues:</b>	
Intergovernmental	<u>\$ 982,351</u>
Total revenues:	<u>982,351</u>
<b>Expenditures:</b>	
Operating	<u>982,351</u>
Total expenditures:	<u>982,351</u>
Revenues over (under) expenditures	<u>\$ -</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - CRIME/SAFETY CONTROL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 2,311,319	\$ 1,569,641	\$ 619,313	\$ 2,188,954
Investment earnings	2,000	4,901	16	4,917
Miscellaneous	5,657	5,628	29	5,657
Total revenues	<u>2,318,976</u>	<u>1,580,170</u>	<u>619,358</u>	<u>2,199,528</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Operating	1,316,138	845,666	363,098	1,208,764
Capital outlay	896,643	642,682	245,642	888,324
<b>Parks and Recreation:</b>				
Operating	139,896	79,307	31,008	110,315
Total expenditures	<u>2,352,677</u>	<u>1,567,655</u>	<u>639,748</u>	<u>2,207,403</u>
Revenues over (under) expenditures	<u>(33,701)</u>	<u>12,515</u>	<u>(20,390)</u>	<u>(7,875)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>33,701</u>	<u>25,779</u>	<u>3,885</u>	<u>29,664</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 38,294</u>	<u>(16,505)</u>	<u>\$ 21,789</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>38,294</u>	
End of year, June 30			<u>\$ 21,789</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 27,918
Total revenues:	<u>27,918</u>
<b>Expenditures:</b>	
Capital outlay	<u>48,756</u>
Total expenditures:	<u>48,756</u>
Revenues over (under) expenditures	\$ (20,838)
Transfers from other funds	<u>20,838</u>
	<u>\$ -</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 1,710,500	\$ 515,719	\$ 130,719	\$ 646,438
Investment earnings	-	10,646	-	10,646
Miscellaneous	162,600	12,600	-	12,600
Total revenues	<u>1,873,100</u>	<u>538,965</u>	<u>130,719</u>	<u>669,684</u>
<b>Expenditures:</b>				
<b>Community Revitalization:</b>				
Operating	1,273,100	598,510	186,720	785,230
Capital outlay	800,000	28,377	-	28,377
Total expenditures	<u>2,073,100</u>	<u>626,887</u>	<u>186,720</u>	<u>813,607</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(87,922)</u>	<u>(56,001)</u>	<u>(143,923)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	200,000	200,000	-	200,000
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 112,078</u>	<u>(56,001)</u>	<u>\$ 56,077</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>112,078</u>	
End of year, June 30			<u>\$ 56,077</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - EMERGENCY MANAGEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual	
			Current Year	Total
<b>Revenues:</b>				
Intergovernmental	\$ 5,630,000	\$ -	\$ 5,419,741	\$ 5,419,741
Miscellaneous	-	-	27,134	27,134
Total revenues	<u>5,630,000</u>	<u>-</u>	<u>5,446,875</u>	<u>5,446,875</u>
<b>Expenditures:</b>				
<b>Emergency management:</b>				
Operating	<u>5,630,000</u>	<u>-</u>	<u>5,418,215</u>	<u>5,418,215</u>
Total expenditures	<u>5,630,000</u>	<u>-</u>	<u>5,418,215</u>	<u>5,418,215</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	28,660	<u>\$ 28,660</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>-</u>	
End of year, June 30			<u>\$ 28,660</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - EMERGENCY TELEPHONE SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 346,000	\$ 345,452	\$ (548)
Investment earnings	-	336	336
Total revenues	<u>346,000</u>	<u>345,788</u>	<u>(212)</u>
<b>Expenditures:</b>			
Public service:			
Operating	301,000	235,250	65,750
Capital outlay	<u>45,000</u>	<u>260</u>	<u>44,740</u>
Total expenditures	<u>346,000</u>	<u>235,510</u>	<u>110,490</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>110,278</u>	<u>\$ 110,278</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(140,091)	(140,091)	-
Fund balance appropriated	<u>140,091</u>	<u>-</u>	<u>(140,091)</u>
Total other financing sources (uses)	<u>-</u>	<u>(140,091)</u>	<u>(140,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>(29,813)</u>	<u>\$ (29,813)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>368,265</u>	
End of year, June 30		<u>\$ 338,452</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND - OCCUPANCY TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 4,395,000	\$ 4,122,783	\$ 501,251	\$ 4,624,034
Investment earnings	<u>35,000</u>	<u>54,676</u>	<u>532</u>	<u>55,208</u>
Total revenues	<u>4,430,000</u>	<u>4,177,459</u>	<u>501,783</u>	<u>4,679,242</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	<u>(4,430,000)</u>	<u>(3,710,000)</u>	<u>(720,000)</u>	<u>(4,430,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 467,459</u>	<u>(218,217)</u>	<u>\$ 249,242</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>467,459</u>	
End of year, June 30			<u>\$ 249,242</u>	

## **NON MAJOR CAPITAL PROJECTS FUNDS**

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

### **General Capital Projects Fund**

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

### **General Capital Development Fund**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>			
Cash and cash equivalents/investments	\$ 846,500	\$ -	\$ 846,500
Receivables - net:			
Ad valorem taxes	9,979	-	9,979
Other governmental agencies	151	2,866,386	2,866,537
Restricted cash and investments	1,699	-	1,699
Total assets	<u>\$ 858,329</u>	<u>\$ 2,866,386</u>	<u>\$ 3,724,715</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	5,336	575,610	580,946
Deferred revenues	9,979	-	9,979
Due to other funds	-	909,569	909,569
Total liabilities	<u>15,315</u>	<u>1,485,179</u>	<u>1,500,494</u>
<b>Fund Balance:</b>			
<b>Restricted:</b>			
Stabilization by State statute	151	2,866,386	2,866,537
Future capital projects	1,699	-	1,699
<b>Assigned</b>	841,164	-	841,164
<b>Unassigned</b>	-	(1,485,179)	(1,485,179)
Total fund balance	<u>843,014</u>	<u>1,381,207</u>	<u>2,224,221</u>
Total liabilities and fund balance	<u>\$ 858,329</u>	<u>\$ 2,866,386</u>	<u>\$ 3,724,715</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, 2012**

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
Taxes	\$ 76,398	\$ -	\$ 76,398
Intergovernmental	76,500	3,027,404	3,103,904
Investment earnings	776	134	910
Miscellaneous	-	28,170	28,170
Total revenues	<u>153,674</u>	<u>3,055,708</u>	<u>3,209,382</u>
<b>Expenditures:</b>			
General government	711,148	-	711,148
Public safety	43,487	-	43,487
Parks and recreation	43,688	91,163	134,851
Public service	-	4,781,240	4,781,240
Total expenditures	<u>798,323</u>	<u>4,872,403</u>	<u>5,670,726</u>
Revenues over (under) expenditures	<u>(644,649)</u>	<u>(1,816,695)</u>	<u>(2,461,344)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(67,135)	-	(67,135)
Transfers from other funds	-	312,405	312,405
Total other financing sources (uses)	<u>(67,135)</u>	<u>312,405</u>	<u>245,270</u>
Net change in fund balances	(711,784)	(1,504,290)	(2,216,074)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,554,798</u>	<u>2,885,497</u>	<u>4,440,295</u>
End of year - June 30	<u>\$ 843,014</u>	<u>\$ 1,381,207</u>	<u>\$ 2,224,221</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND - GENERAL CAPITAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 75,500	\$ 76,398	\$ 898
Intergovernmental	76,500	76,500	-
Investment earnings	<u>1,500</u>	<u>776</u>	<u>(724)</u>
Total revenues	<u>153,500</u>	<u>153,674</u>	<u>174</u>
<b>Expenditures:</b>			
General government	821,013	711,148	109,865
Public safety	79,510	43,487	36,023
Parks and recreation	<u>45,000</u>	<u>43,688</u>	<u>1,312</u>
Total expenditures	<u>945,523</u>	<u>798,323</u>	<u>147,200</u>
Revenues over (under) expenditures	<u>(792,023)</u>	<u>(644,649)</u>	<u>147,374</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(67,140)	(67,135)	5
Fund balance appropriated	<u>859,163</u>	<u>-</u>	<u>(859,163)</u>
Total other financing sources (uses)	<u>792,023</u>	<u>(67,135)</u>	<u>(859,158)</u>
Net change in fund balance	<u>\$ -</u>	<u>(711,784)</u>	<u>\$ (711,784)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>1,554,798</u>	
End of year, June 30		<u>\$ 843,014</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND-GENERAL CAPITAL DEVELOPMENT PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Actual		Total
		Prior Years	Current Year	
<b>Revenues:</b>				
Intergovernmental	\$ 7,024,314	\$ 2,762,389	\$ 3,027,404	\$ 5,789,793
Investment earnings	-	63,246	134	63,380
Miscellaneous	4,863,535	5,002,024	28,170	5,030,194
Total revenues	<u>11,887,849</u>	<u>7,827,659</u>	<u>3,055,708</u>	<u>10,883,367</u>
<b>Expenditures:</b>				
Parks and recreation	2,165,500	1,873,565	91,163	1,964,728
Public service	17,123,943	9,944,922	4,781,240	14,726,162
Total expenditures	<u>19,289,443</u>	<u>11,818,487</u>	<u>4,872,403</u>	<u>16,690,890</u>
Revenues over (under) expenditures	<u>(7,401,594)</u>	<u>(3,990,828)</u>	<u>(1,816,695)</u>	<u>(5,807,523)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	4,601,594	4,076,325	312,405	4,388,730
Debt financing issued	2,800,000	2,800,000	-	2,800,000
Total other financing sources (uses)	<u>7,401,594</u>	<u>6,876,325</u>	<u>312,405</u>	<u>7,188,730</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,885,497</u>	<u>(1,504,290)</u>	<u>\$ 1,381,207</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>2,885,497</u>	
End of year, June 30			<u>\$ 1,381,207</u>	

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

<b>Revenues:</b>	
Intergovernmental	\$ 418,683
Miscellaneous	651,500
Total revenues	<u>1,070,183</u>
<b>Expenditures:</b>	
Parks and recreation	1,202,872
Public service	202,565
Total expenditures	<u>1,405,437</u>
Revenues under expenditures	<u>(335,254)</u>
Transfers from other funds	394,283
Transfers to other funds	(59,029)
	<u>\$ -</u>

## **ENTERPRISE FUNDS**

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

### **Electric Fund**

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

### **Gas Fund**

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

### **Water Fund**

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

### **Sewer Fund**

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

### **Stormwater Management Fund**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUND - ELECTRIC FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 93,100,000	\$ 88,157,911	\$ (4,942,089)
Other operating revenue	2,613,920	1,413,827	(1,200,093)
Other nonoperating revenue	-	63,461	63,461
Grants and subsidies	9,005	708,868	699,863
Investment earnings	404,000	61,319	(342,681)
Total revenues	<u>96,126,925</u>	<u>90,405,386</u>	<u>(5,721,539)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	2,232,300	2,044,968	187,332
Employee benefits	759,990	744,351	15,639
Electric power purchase	76,904,500	74,419,871	2,484,629
Operating expense	6,536,777	6,036,899	499,878
Engineering:			
Salaries	854,930	767,000	87,930
Employee benefits	213,130	198,675	14,455
Operating expense	328,225	275,965	52,260
Utility support services:			
Salaries	197,170	197,163	7
Employee benefits	49,400	49,397	3
Operating expense	531,100	457,961	73,139
Energy services:			
Salaries	721,115	698,055	23,060
Employee benefits	189,490	181,922	7,568
Operating expense	1,220,110	601,256	618,854
Budgetary appropriations:			
Capital outlay	7,578,349	4,519,492	3,058,857
Debt services expenditures	1,079,410	1,061,234	18,176
Appropriation to school system	360,922	360,922	-
Total expenditures and budgetary appropriations	<u>99,756,918</u>	<u>92,615,131</u>	<u>7,141,787</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(3,629,993)</u>	<u>(2,209,745)</u>	<u>1,420,248</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(3,000,000)	(1,500,000)	1,500,000
Installment purchase financing issued	3,030,000	423,000	(2,607,000)
Fund balance appropriated	3,599,993	-	(3,599,993)
Total other financing sources (uses)	<u>3,629,993</u>	<u>(1,077,000)</u>	<u>(4,706,993)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ (3,286,745)</u>	<u>\$ (3,286,745)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ (3,286,745)	
Depreciation		(1,873,606)	
Debt principal		969,190	
Capitalized capital outlay		4,814,405	
Debt issued		(423,000)	
Change in net assets		<u>\$ 200,244</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUND - GAS OPERATING FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 23,250,000	\$ 19,510,767	\$ (3,739,233)
Other operating revenue	28,000	34,879	6,879
Other nonoperating revenue	-	29,272	29,272
Investment earnings	<u>106,020</u>	<u>44,032</u>	<u>(61,988)</u>
Total revenues	<u>23,384,020</u>	<u>19,618,950</u>	<u>(3,765,070)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Distribution systems:			
Salaries	957,640	912,062	45,578
Employee benefits	470,260	465,282	4,978
Natural gas purchases	15,000,000	11,130,071	3,869,929
Operating expense	5,348,160	4,731,471	616,689
Budgetary appropriations:			
Capital outlay	3,339,311	2,142,022	1,197,289
Debt services expenditures	46,780	46,770	10
Appropriation to school system	<u>138,819</u>	<u>138,819</u>	<u>-</u>
Total expenditures and budgetary appropriations	<u>25,300,970</u>	<u>19,566,497</u>	<u>5,734,473</u>
Revenues over (under) expenditures	<u>(1,916,950)</u>	<u>52,453</u>	<u>1,969,403</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(1,400,000)	(1,266,000)	134,000
Installment purchase financing issued	1,400,000	1,370,000	(30,000)
Fund balance appropriated	<u>1,916,950</u>	<u>-</u>	<u>(1,916,950)</u>
Total other financing sources (uses)	<u>1,916,950</u>	<u>104,000</u>	<u>(1,812,950)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 156,453</u>	<u>\$ 156,453</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 156,453	
Depreciation		(760,345)	
Debt principal		44,131	
Capitalized capital outlay		1,937,700	
Debt Issued		<u>(1,370,000)</u>	
Change in net assets		<u>\$ 7,939</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,050,000	\$ 10,140,548	\$ (909,452)
Licenses and permits	45,000	38,859	(6,141)
Other operating revenue	155,050	192,054	37,004
Other nonoperating revenue	68,000	14,119	(53,881)
Grants and subsidies	140,000	-	(140,000)
Investment earnings	82,000	31,806	(50,194)
Total revenues	<u>11,540,050</u>	<u>10,417,386</u>	<u>(1,122,664)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Water treatment plants:			
Salaries	1,677,310	1,481,529	195,781
Employee benefits	613,330	557,215	56,115
Operating expense	4,042,055	3,004,545	1,037,510
Water services:			
Salaries	775,470	775,433	37
Employee benefits	230,860	228,822	2,038
Operating expense	1,649,275	1,515,252	134,023
Budgetary appropriations:			
Capital outlay	3,907,474	1,654,953	2,252,521
Debt services expenditures	879,290	808,411	70,879
Appropriation to school system	55,516	55,516	-
Total expenditures and budgetary appropriations	<u>13,830,580</u>	<u>10,081,676</u>	<u>3,748,904</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,290,530)</u>	<u>335,710</u>	<u>2,626,240</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(500,000)	(500,000)	-
Installment purchase financing issued	765,000	668,000	(97,000)
Fund balance appropriated	2,025,530	-	(2,025,530)
Total other financing sources (uses)	<u>2,290,530</u>	<u>168,000</u>	<u>(2,122,530)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 503,710</u>	<u>\$ 503,710</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 503,710	
Depreciation		(1,464,473)	
Debt principal		691,581	
Capitalized capital outlay		1,525,857	
Debt issued		<u>(668,000)</u>	
Change in net assets		<u>\$ 588,675</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

**ENTERPRISE FUND - SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 11,950,000	\$ 11,549,285	\$ (400,715)
Licenses and permits	30,000	45,019	15,019
Other operating revenue	122,030	174,266	52,236
Grants and subsidies	500,000	516,825	16,825
Investment earnings	67,270	67,778	508
Total revenues	<u>12,669,300</u>	<u>12,353,173</u>	<u>(316,127)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Waste water treatment plants:			
Salaries	1,077,560	1,062,030	15,530
Employee benefits	486,070	478,889	7,181
Operating expense	5,028,630	4,438,512	590,118
Sewer services:			
Salaries	743,570	509,087	234,483
Employee benefits	200,740	139,551	61,189
Operating expense	2,016,556	1,811,434	205,122
Budgetary appropriations:			
Capital outlay	5,595,055	3,110,488	2,484,567
Debt services expenditures	<u>1,526,460</u>	<u>1,399,891</u>	<u>126,569</u>
Total expenditures and budgetary appropriations	<u>16,674,641</u>	<u>12,949,882</u>	<u>3,724,759</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(4,005,341)</u>	<u>(596,709)</u>	<u>3,408,632</u>
<b>Other Financing Sources (Uses):</b>			
Debt financing issued	-	1,662,374	1,662,374
Installment purchase financing issued	2,246,100	-	(2,246,100)
Fund balance appropriated	<u>1,759,241</u>	<u>-</u>	<u>(1,759,241)</u>
Total other financing sources (uses)	<u>4,005,341</u>	<u>1,662,374</u>	<u>(2,342,967)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,065,665</u>	<u>\$ 1,065,665</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 1,065,665	
Depreciation		(1,874,234)	
Debt principal		1,090,796	
Capitalized capital outlay		2,641,406	
Debt issued		<u>(1,662,374)</u>	
Change in net assets		<u>\$ 1,261,259</u>	

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUND - STORMWATER MANAGEMENT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
User charges	\$ 3,405,000	\$ 3,413,995	\$ 8,995
Other operating revenue	185,500	189,857	4,357
Other nonoperating revenue	-	380	380
Investment earnings	30,920	13,529	(17,391)
Total revenues	<u>3,621,420</u>	<u>3,617,761</u>	<u>(3,659)</u>
<b>Expenditures and Budgetary Appropriations:</b>			
Stormwater management:			
Salaries	220,570	218,735	1,835
Employee benefits	70,310	60,945	9,365
Operating expense	475,870	442,522	33,348
Stormwater operations:			
Salaries	1,279,135	1,279,131	4
Employee benefits	557,240	549,885	7,355
Operating expense	502,350	444,657	57,693
Budgetary appropriations:			
Capital outlay	1,631,235	630,355	1,000,880
Debt services expenditures	250,850	223,054	27,796
Total expenditures and budgetary appropriations	<u>4,987,560</u>	<u>3,849,284</u>	<u>1,138,276</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,366,140)</u>	<u>(231,523)</u>	<u>1,134,617</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	200,000	200,000	-
Installment purchase financing issued	890,000	821,000	(69,000)
Fund balance appropriated	276,140	-	(276,140)
Total other financing sources (uses)	<u>1,366,140</u>	<u>1,021,000</u>	<u>(345,140)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 789,477</u>	<u>\$ 789,477</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 789,477	
Depreciation		(259,967)	
Debt principal		198,935	
Capitalized capital outlay		557,633	
Debt issued		<u>(821,000)</u>	
Change in net assets		<u>\$ 465,078</u>	



## **INTERNAL SERVICE FUND**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUND - RISK MANAGEMENT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
<b>Revenues:</b>			
Insurance premiums	\$ 6,200,000	\$ 7,059,162	\$ 859,162
<b>Expenditures:</b>			
Insurance claims	6,200,000	5,520,099	679,901
Administrative fees	-	1,390,892	(1,390,892)
Total expenditures	<u>6,200,000</u>	<u>6,910,991</u>	<u>(710,991)</u>
Revenues over (under) expenditures	<u>\$ -</u>	148,171	<u>\$ 148,171</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>294,538</u>	
End of year, June 30		<u>\$ 442,709</u>	



## **AGENCY FUNDS**

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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

**AGENCY FUND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>Community Development and Governmental Activities Fund:</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2012</b>
Assets:				
Cash and cash equivalents/investments	\$ 261,870	\$ 162,483	\$ 153,692	\$ 270,661
Total assets	<u>\$ 261,870</u>	<u>\$ 162,483</u>	<u>\$ 153,692</u>	<u>\$ 270,661</u>
Liabilities:				
Accounts payable	\$ 39	\$ -	\$ 39	\$ -
Due to other governmental agency	<u>261,831</u>	<u>162,483</u>	<u>153,653</u>	<u>270,661</u>
Total liabilities	<u>\$ 261,870</u>	<u>\$ 162,483</u>	<u>\$ 153,692</u>	<u>\$ 270,661</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, 2012

Year	Uncollected Balance 6/30/2011	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2012
2011-2012	\$ 131,472	\$ 21,347,480	\$ 20,407,792	\$ 1,071,159
2010-2011	1,193,314	308,174	860,916	640,572
2009-2010	673,560	1,438	257,219	417,779
2008-2009	340,802	159	62,092	278,869
2007-2008	255,464	146	32,250	223,360
2006-2007	221,499	178	19,006	202,671
2005-2006	162,861	-	14,246	148,615
2004-2005	136,525	-	6,626	129,898
2003-2004	141,097	9	10,939	130,169
2002-2003	145,684	-	6,295	139,389
2001-2002	109,069	-	59,365	49,704
2000-2001	56,616	-	39,449	17,167
1999-2000	13,288	-	13,288	-
	<u>\$ 3,581,251</u>	<u>\$ 21,657,584</u>	<u>\$ 21,789,483</u>	3,449,352
Allowance for uncollectible ad valorem taxes receivable				<u>(1,447,120)</u>
Ad valorem taxes receivable, net				<u>\$ 2,002,232</u>
<b>Reconciliation with Revenue:</b>				
Taxes				\$ 21,863,586
Penalties and interest				<u>(234,070)</u>
Total				<u>21,629,516</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				20,901,128
Prior years				<u>728,388</u>
				21,629,516
Releases and transfers from interest				45,968
Other				<u>113,999</u>
Total collections and credits				<u>\$ 21,789,483</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR YEAR ENDED JUNE 30, 2012

	<u>Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Tax Levy</u>	<u>Total Levy</u>	
				<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate:					
Real property	\$ 3,081,120,506	0.55	\$ 16,946,191	\$ 16,946,191	\$ -
Personal property	691,310,019	0.55	3,802,210	2,450,323	1,351,887
Public service property	89,723,964	0.55	493,482	493,482	-
	<u>3,862,154,489</u>		<u>21,241,883</u>	<u>19,889,996</u>	<u>1,351,887</u>
Discoveries	13,390,209	0.55	73,648	73,648	-
Discoveries	681,182	0.58	3,951	3,951	-
Refunds	5,090,658	0.55	27,999	27,999	-
Total property valuation	<u>\$ 3,881,316,539</u>				
Net levy			21,347,480	19,995,593	1,351,887
Uncollected taxes at June 30, 2012			<u>1,071,159</u>	<u>748,276</u>	<u>322,883</u>
Current year's taxes collected			<u>\$ 20,276,321</u>	<u>\$ 19,247,317</u>	<u>\$ 1,029,004</u>
Percent of current year taxes collected			<u>94.98%</u>	<u>96.25%</u>	<u>76.12%</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SCHEDULE OF INTERFUND TRANSFERS  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>Transfers to Fund:</b>	<b>Transfers from Fund:</b>		
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>
General	\$ -	\$ 885,091	\$ -
Stormwater	200,000	-	-
<b>Capital Project Funds:</b>			
Capital Development	245,270	-	67,135
<b>Special Revenue:</b>			
Entitlement Grants	70,576	-	-
Public Transportation	289,929	-	-
Crime/Safety Control	3,885	-	-
<b>Total</b>	<b>\$ 809,660</b>	<b>\$ 885,091</b>	<b>\$ 67,135</b>

**Schedule I-3**

**Enterprise Funds**

<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Total</u>
\$ 1,500,000	\$ 1,266,000	\$ 500,000	\$ 4,151,091
-	-	-	200,000
-	-	-	312,405
-	-	-	70,576
-	-	-	289,929
-	-	-	3,885
<u>\$ 1,500,000</u>	<u>\$ 1,266,000</u>	<u>\$ 500,000</u>	<u>\$ 5,027,886</u>



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



## CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULE BY SOURCE  
JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>Governmental Fund Capital Assets:</b>		
Land and land improvements	\$ 29,215,441	\$ 28,911,689
Buildings	53,085,387	51,939,141
Equipment	40,762,963	42,226,086
Infrastructure	47,332,385	46,719,543
Construction in progress	<u>4,318,991</u>	<u>1,390,214</u>
Total governmental funds capital assets	<u>\$ 174,715,167</u>	<u>\$ 171,186,674</u>
<b>Investment in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 156,784,874	\$ 153,811,204
Special revenue funds	4,666,171	4,317,408
Joint Venture - Rocky Mount/Wilson Airport	<u>13,264,122</u>	<u>13,058,062</u>
Total governmental funds capital assets	<u>\$ 174,715,167</u>	<u>\$ 171,186,674</u>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2012**

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
<b>General Government:</b>			
Mayor and Council	\$ 2,366,799	\$ -	\$ 12,159
City Clerk	1,617,326	142,691	58,502
City Manager	-	811,438	95,148
Finance	3,207	101,401	3,550,327
Central services	1,372,642	23,581,782	2,378,985
Human resources	-	5,229	13,484
Total general government	<u>5,359,974</u>	<u>24,642,541</u>	<u>6,108,605</u>
Transit	<u>221,062</u>	<u>97,128</u>	<u>4,347,981</u>
<b>Public Safety:</b>			
Police	7,239	400,258	5,109,754
Fire	<u>63,312</u>	<u>5,405,578</u>	<u>7,781,665</u>
Total public safety	<u>70,551</u>	<u>5,805,836</u>	<u>12,891,419</u>
Public works	<u>921,156</u>	<u>3,589,520</u>	<u>12,009,003</u>
Engineering	<u>2,308,387</u>	<u>111,488</u>	<u>1,108,627</u>
Parks and recreation	<u>18,789,911</u>	<u>7,755,438</u>	<u>3,661,042</u>
Airport	<u>1,544,400</u>	<u>11,083,436</u>	<u>636,286</u>
Total general capital assets	<u>\$ 29,215,441</u>	<u>\$ 53,085,387</u>	<u>\$ 40,762,963</u>

Note: Amounts presented above exclude accumulated depreciation.

**Schedule J-2**

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,378,958
-	-	1,818,519
-	4,139,760	5,046,346
-	-	3,654,934
754,986	-	28,088,396
-	-	18,713
<u>754,986</u>	<u>4,139,760</u>	<u>41,005,866</u>
-	-	4,666,171
-	-	5,517,251
-	-	<u>13,250,555</u>
-	-	<u>18,767,806</u>
<u>45,479,134</u>	<u>82,877</u>	<u>62,081,690</u>
-	-	3,528,502
<u>1,098,265</u>	<u>96,354</u>	<u>31,401,010</u>
-	-	13,264,122
<u>\$ 47,332,385</u>	<u>\$ 4,318,991</u>	<u>\$ 174,715,167</u>

## CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>General Government:</b>				
Mayor and Council	\$ 2,426,458.00	\$ -	\$ 47,500.00	\$ 2,378,958
City Clerk	1,739,112	108,644	29,237	1,818,519
City Manager	1,845,840	3,205,350	4,844	5,046,346
Finance	6,801,982	309,483	3,456,531	3,654,934
Central services	27,178,421	979,017	69,042	28,088,396
Human resources	21,385	-	2,672	18,713
Total general government	<u>40,013,198</u>	<u>4,602,494</u>	<u>3,609,826</u>	<u>41,005,866</u>
Transit	<u>4,317,408</u>	<u>542,819</u>	<u>194,056</u>	<u>4,666,171</u>
<b>Public Safety:</b>				
Police	5,183,823	424,986	91,558	5,517,251
Fire	<u>12,768,201</u>	<u>482,354</u>	-	<u>13,250,555</u>
Total public safety	<u>17,952,024</u>	<u>907,340</u>	<u>91,558</u>	<u>18,767,806</u>
Public works	<u>61,102,568</u>	<u>2,560,935.00</u>	<u>1,581,813.00</u>	<u>62,081,690</u>
Engineering	<u>3,431,010</u>	<u>206,224.00</u>	<u>108,732.00</u>	<u>3,528,502</u>
Parks and recreation	<u>31,312,404</u>	<u>412,152.00</u>	<u>323,546.00</u>	<u>31,401,010</u>
Airport	<u>13,058,062</u>	<u>206,060.00</u>	-	<u>13,264,122</u>
Total general capital assets	<u>\$ 171,186,674</u>	<u>\$ 9,438,024</u>	<u>\$ 5,909,531</u>	<u>\$ 174,715,167</u>

Note: Amounts presented above exclude accumulated depreciation

## **STATISTICAL SECTION (Unaudited)**

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

### **Content**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**NET ASSETS BY COMPONENT**

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 75,228,740	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292	\$ 94,306,305
Restricted	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949
Unrestricted	20,290,635	15,538,639	16,957,667	18,404,926	24,105,474	26,804,792	20,930,383	17,374,814	11,714,287	4,972,591
Total governmental activities net assets	\$ 102,770,186	\$ 104,776,424	\$ 105,323,678	\$ 106,063,710	\$ 107,684,247	\$ 111,347,407	\$ 109,913,653	\$ 107,125,917	\$ 111,502,500	\$ 116,481,845
Business-type activities										
Invested in capital assets, net of related debt	\$ 103,171,226	\$ 101,634,397	\$ 97,762,992	\$ 101,764,488	\$ 107,764,319	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316	\$ 127,857,818
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,945,229	12,576,271	20,060,100	20,982,144	22,720,072	27,990,145	28,525,650	34,419,807	36,869,650	35,229,343
Total business-type activities	\$ 112,116,455	\$ 114,210,668	\$ 117,823,092	\$ 122,746,632	\$ 130,484,391	\$ 137,722,575	\$ 143,575,396	\$ 154,593,525	\$ 160,563,966	\$ 163,087,161
Primary government										
Invested in capital assets, net of related debt	\$ 178,399,966	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608	\$ 222,164,123
Restricted	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949
Unrestricted	29,235,864	28,114,910	37,017,767	39,387,070	46,825,546	54,794,937	49,456,033	51,794,621	48,583,937	40,201,934
Total primary government net assets	\$ 214,886,641	\$ 218,987,092	\$ 223,146,770	\$ 228,810,342	\$ 238,168,638	\$ 249,069,982	\$ 253,489,049	\$ 261,719,442	\$ 272,066,466	\$ 279,569,006
City of Rocky Mount Theatre, LLC										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 724,066	\$ 1,122,029	\$ 898,194	\$ 672,079	\$ 441,663	\$ 258,691	\$ 48,101
Restricted	-	-	6,541,494	205,342	172,397	139,451	106,414	73,468	40,522	7,576
Unrestricted	-	-	-	(156,261)	100	100	100	100	(47,344)	(67,170)
Total City of Rocky Mount Theatre, LLC net assets	\$ -	\$ -	\$ 6,541,494	\$ 773,147	\$ 1,294,526	\$ 1,037,745	\$ 778,593	\$ 515,231	\$ 251,869	\$ (11,493)

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET ASSETS  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,965,851	\$ 7,447,378	\$ 6,042,747	\$ 5,134,845	\$ 5,828,638	\$ 6,637,786	\$ 6,710,733	\$ 7,092,390	\$ 5,865,807	\$ 2,541,551
Public safety	17,290,858	19,046,410	19,056,350	20,571,641	20,528,191	21,873,680	23,102,694	24,944,618	25,816,170	25,859,954
Public Works	7,770,378	7,839,918	7,154,328	8,603,044	8,105,415	8,722,496	8,858,447	8,996,638	7,197,559	9,825,999
Engineering	939,353	1,141,096	939,634	1,139,983	984,492	941,982	8,148,677	658,083	186,997	811,304
Parks and recreation	3,598,902	5,312,167	11,170,909	9,217,034	8,241,393	7,844,487	8,799,437	8,799,437	9,117,886	9,487,899
Public Service	6,668,176	4,722,023	4,861,481	3,354,839	4,944,155	5,629,301	6,349,205	11,884,227	9,368,808	10,161,005
Emergency management	1,087,972	-	2,263,801	-	-	-	-	-	-	5,418,215
Hazard mitigation	5,848,692	462,728	93,386	344,245	-	-	-	-	-	-
Community revitalization	1,106,614	2,964,035	2,702,468	2,690,132	1,823,575	1,948,078	2,800,689	3,585,679	4,422,615	2,170,571
Interest on Long-term debt	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656
Total governmental activities expenses	\$ 52,891,986	\$ 49,275,972	\$ 54,800,823	\$ 51,961,832	\$ 50,916,521	\$ 54,283,578	\$ 57,400,820	\$ 66,405,156	\$ 62,268,110	\$ 66,769,154
Business-type activities:										
Electric	67,981,845	69,881,791	68,657,738	74,817,488	78,320,332	78,733,182	87,251,619	90,363,924	92,056,649	88,705,142
Gas	17,768,879	21,394,773	24,556,908	30,983,889	27,016,418	25,544,219	25,635,724	21,822,518	22,445,683	18,345,011
Water	7,925,757	8,555,812	8,289,814	8,499,790	8,817,067	8,715,519	9,793,758	9,005,997	9,191,247	9,328,711
Sewer	9,291,806	9,470,920	9,813,137	9,826,701	9,658,399	9,367,159	10,035,368	10,783,556	10,884,607	11,091,914
Storm Water Management	397,253	2,394,578	2,483,293	2,600,592	2,748,537	2,911,282	2,869,969	2,939,442	3,078,951	3,352,683
Total business-type activities expenses	\$ 103,365,540	\$ 111,697,874	\$ 113,800,890	\$ 126,728,460	\$ 126,560,753	\$ 125,271,361	\$ 135,586,437	\$ 134,915,437	\$ 137,657,137	\$ 130,823,461
Total primary government expenses	\$ 156,257,526	\$ 160,973,846	\$ 168,601,713	\$ 178,690,292	\$ 177,477,274	\$ 179,554,939	\$ 192,987,257	\$ 201,320,593	\$ 195,925,247	\$ 197,592,615
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	5,468,927	6,180,013	6,038,496	1,183,833	3,221,954	2,319,466	1,678,291	1,799,924	1,834,638	2,117,227
Public Safety	754,530	800,098	813,507	375,831	578,729	404,249	334,178	321,163	311,960	295,173
Public Works	5,339,853	5,077,156	4,377,217	5,521,528	5,781,811	6,027,232	5,994,818	5,981,055	6,083,367	6,820,948
Recreation	481,227	575,445	551,449	667,022	1,125,845	924,160	1,057,313	1,126,057	1,199,165	1,197,659
Public Service	120,443	175,941	183,969	5,967	1,500,327	1,598,478	1,577,139	1,984,204	2,189,132	2,001,241
Other activities	3,938	5,240	116,612	-	52,786	14,692	9,934	14,131	12,018	43,794
Operating grants and contributions	18,354,723	9,251,060	11,716,912	6,979,532	7,373,708	5,751,657	6,435,865	8,013,552	8,382,242	12,126,643
Capital grants and contributions	-	-	-	3,435,584	1,448,987	2,813,051	1,313,359	4,796,852	5,038,384	5,408,019
Total governmental activities program revenues	\$ 30,523,641	\$ 22,064,953	\$ 23,798,162	\$ 18,169,297	\$ 21,084,147	\$ 19,852,985	\$ 18,400,897	\$ 24,036,938	\$ 25,050,906	\$ 30,010,704
Business-type activities:										
Charges for services:										
Electric	68,933,540	70,818,385	70,680,615	78,174,288	83,074,744	83,286,304	90,529,005	94,204,551	96,022,707	89,632,663
Gas	19,470,776	23,173,028	27,176,264	31,684,789	29,526,454	28,547,960	29,689,679	25,025,210	24,079,519	19,574,918
Water	8,582,464	8,837,653	9,060,972	9,497,931	9,512,039	9,294,113	9,271,691	11,257,530	11,716,075	10,385,580
Sewer	9,091,467	8,723,827	9,230,978	10,232,023	10,601,619	10,245,779	10,641,539	11,924,944	11,817,647	11,768,570
Storm Water Management	2,020	2,366,558	2,464,505	2,673,764	2,666,750	2,691,342	2,918,743	2,933,755	3,352,106	3,603,852
Operating grants and contributions	499,791	296,007	-	50,000	-	-	-	6,102	2,500	2,916
Capital grants and contributions	166,740	47,975	56,385	101,379	-	-	108,536	2,651,892	725,186	1,225,693
Total business-type activities program revenues	\$ 106,746,798	\$ 114,263,433	\$ 118,669,719	\$ 132,414,174	\$ 135,381,606	\$ 134,065,498	\$ 143,156,193	\$ 148,003,984	\$ 147,715,740	\$ 136,194,192
Total primary government program revenues	\$ 137,270,439	\$ 136,328,386	\$ 142,467,881	\$ 150,583,471	\$ 156,465,753	\$ 153,918,483	\$ 161,557,090	\$ 172,040,922	\$ 172,766,646	\$ 166,204,896

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGE IN NET ASSETS  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/revenue										
Governmental activities	\$ (22,368,345)	\$ (27,211,019)	\$ (31,002,661)	\$ (33,792,535)	\$ (29,832,374)	\$ (34,430,593)	\$ (38,999,923)	\$ (42,368,218)	\$ (37,217,204)	\$ (36,758,450)
Business-type activities	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853	8,794,137	7,569,756	13,088,547	10,058,603	5,370,731
Total primary government net expense	\$ (18,987,087)	\$ (24,645,460)	\$ (26,133,832)	\$ (28,106,821)	\$ (21,011,521)	\$ (25,636,456)	\$ (31,430,167)	\$ (29,279,671)	\$ (27,158,601)	\$ (31,387,719)
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	-	-	-	(99,747)	(265,087)	(263,362)	(280,562)	(268,927)	(268,936)	(268,946)
Investment earnings	-	-	-	20,755	1,557	-	-	-	-	-
Operating grants and contributions	-	-	3,675,205	-	784,909	6,581	21,410	5,565	5,574	5,584
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total City of Rocky Mount Theatre, LLC	-	-	2,866,289	852,039	521,379	(256,781)	(259,152)	(263,362)	(263,362)	(263,362)
	\$ -	\$ -	\$ 6,541,494	\$ 773,047	\$ 521,379	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)

**General Revenues and Other Changes in**

**Net Assets**

Governmental activities:

Taxes:

Ad valorem taxes	\$ 14,557,102	\$ 15,125,425	\$ 15,473,269	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521	\$ 19,499,709	\$ 21,558,895	\$ 21,528,800	\$ 21,778,008
Local option taxes	8,312,645	9,218,640	9,940,317	10,444,807	8,269,778	10,092,744	9,436,526	8,916,046	8,961,679	9,371,996
Alcoholic beverage taxes	41,181	35,424	43,801	42,158	-	-	-	-	-	-
Other taxes	2,380,508	2,394,114	2,523,858	5,000,150	3,475,190	3,383,805	3,749,239	3,844,700	3,855,023	3,819,472
Investment earnings	315,810	281,293	571,906	953,803	1,554,069	980,278	436,902	122,011	86,433	70,341
Miscellaneous	1,507,250	1,584,818	1,550,358	(406,432)	460,298	2,618,315	1,793,793	2,355,138	2,601,852	3,631,978
Transfers	(2,244,790)	577,543	1,446,406	1,646,500	2,212,445	2,830,090	2,650,000	2,803,692	4,560,000	3,066,000
Total governmental activities	24,869,706	29,217,257	31,549,915	33,220,048	33,629,804	38,093,753	37,566,169	39,580,482	41,593,787	41,737,795

Business-type activities

Investment earnings	157,284	106,197	190,001	884,326	1,244,435	1,274,137	933,065	733,274	471,838	218,464
Transfers	2,244,790	(577,543)	(1,446,406)	(1,646,500)	(2,212,445)	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)	(3,066,000)
Total business-type activities	2,402,074	(471,346)	(1,256,405)	(762,174)	(968,010)	(1,555,953)	(1,716,935)	(2,070,418)	(4,088,162)	(2,847,536)
Total primary government	\$ 27,271,780	\$ 28,745,911	\$ 30,293,510	\$ 32,457,874	\$ 32,661,794	\$ 36,537,800	\$ 35,849,234	\$ 37,510,064	\$ 37,505,625	\$ 38,890,259

**Change in Net Assets**

Governmental activities	2,501,361	2,006,238	547,254	(572,487)	3,797,430	3,663,160	(1,433,754)	(2,787,736)	4,376,583	4,979,345
Business-type activities	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843	7,238,184	5,852,821	11,018,129	5,970,441	2,523,195
Total primary government	\$ 8,284,693	\$ 4,100,451	\$ 4,159,678	\$ 4,351,053	\$ 11,650,273	\$ 10,901,344	\$ 4,419,067	\$ 8,230,393	\$ 10,347,024	\$ 7,502,540
Total City of Rocky Mount Theatre, LLC	\$ -	\$ -	\$ 6,541,494	\$ 773,047	\$ 521,379	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>										
Reserved	\$ 6,456,306	\$ 7,381,918	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	-	-
Unreserved	11,208,057	9,810,279	9,275,498	10,754,957	11,390,174	15,165,835	13,750,586	11,765,250	-	-
Nonspendable	-	-	-	-	-	-	-	-	355,546	383,732
Restricted	-	-	-	-	-	-	-	-	8,455,455	12,485,342
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	1,433,525	963,473
Unassigned	-	-	-	-	-	-	-	-	8,700,100	6,987,165
<b>Total General Fund</b>	<b>\$ 17,664,363</b>	<b>\$ 17,192,197</b>	<b>\$ 17,542,848</b>	<b>\$ 17,935,975</b>	<b>\$ 22,730,906</b>	<b>\$ 26,297,834</b>	<b>\$ 23,868,667</b>	<b>\$ 22,164,051</b>	<b>\$ 18,944,626</b>	<b>\$ 20,819,712</b>
<b>All other governmental funds</b>										
Reserved	\$ 11,526,310	\$ 18,743,796	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285	\$ 730,296	\$ 393,710	\$ 63,546	-	-
Unreserved, reported in:										
Special revenue funds	(823,773)	3,711,268	1,406,578	862,741	1,842,385	1,336,395	1,836,760	2,310,853	-	-
Capital projects funds	1,121,206	236,233	(1,542,598)	(1,029,988)	488,298	947,958	2,616,371	1,677,341	-	-
Nonspendable, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	100,000	128,890
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	1,809,993	3,142,689
Capital projects funds	-	-	-	-	-	-	-	-	876,388	2,868,236
Committed, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	776,078	767,850
Capital projects funds	-	-	-	-	-	-	-	-	2,773,711	-
Assigned, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	790,196	841,164
Unassigned, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	(124,272)	(1,726,390)
Capital projects funds	-	-	-	-	-	-	-	-	-	(1,485,179)
<b>Total all other governmental funds</b>	<b>\$ 11,823,743</b>	<b>\$ 22,691,297</b>	<b>\$ 11,508,838</b>	<b>\$ 6,598,151</b>	<b>\$ 3,894,968</b>	<b>\$ 3,014,649</b>	<b>\$ 4,846,841</b>	<b>\$ 4,051,740</b>	<b>\$ 7,002,094</b>	<b>\$ 4,537,260</b>
<b>Total governmental funds</b>	<b>\$ 29,488,106</b>	<b>\$ 39,883,494</b>	<b>\$ 29,051,686</b>	<b>\$ 24,534,126</b>	<b>\$ 26,625,874</b>	<b>\$ 29,312,483</b>	<b>\$ 28,715,508</b>	<b>\$ 26,215,791</b>	<b>\$ 25,946,720</b>	<b>\$ 25,356,972</b>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Ad valorem taxes	\$ 14,520,896	\$ 15,166,045	\$ 15,480,246	\$ 15,539,062	\$ 17,557,400	\$ 17,911,751	\$ 19,410,649	\$ 21,415,865	\$ 21,337,096	\$ 21,939,984
Intergovernmental revenues	29,970,198	22,271,559	25,003,998	22,438,252	21,627,094	22,735,263	22,209,500	23,808,794	25,081,411	27,109,946
Licenses and permits	1,014,465	959,509	1,062,447	1,154,278	1,093,244	1,065,569	950,558	948,416	883,621	921,813
Sales and services	6,412,018	6,287,858	5,776,514	7,087,149	7,440,276	7,088,107	7,442,379	7,680,531	7,777,765	8,487,008
Investment earnings	386,621	325,595	571,907	953,803	1,137,780	980,278	436,902	122,011	86,433	70,342
Contributions	-	-	-	1,750	-	-	-	-	-	-
Project revenue	639,197	755,317	953,509	1,956,496	2,248,049	2,240,943	2,369,044	2,703,369	3,346,505	7,571,153
Miscellaneous	1,728,283	1,515,686	1,616,700	1,328,766	1,167,288	1,839,066	1,311,417	4,081,824	3,355,682	1,199,455
<b>Total revenues</b>	<b>54,671,678</b>	<b>47,281,569</b>	<b>50,465,321</b>	<b>50,459,556</b>	<b>52,271,131</b>	<b>53,860,977</b>	<b>54,130,449</b>	<b>60,760,810</b>	<b>61,868,513</b>	<b>67,299,701</b>
<b>Expenditures</b>										
Current:										
General government	4,668,845	4,035,859	5,158,843	4,699,327	4,962,300	5,443,209	5,752,575	6,156,042	5,856,442	5,107,954
Public safety	16,565,970	18,364,648	18,942,217	19,243,723	19,847,153	21,299,722	22,687,684	24,825,635	25,204,655	25,460,672
Public service	8,383,109	4,404,003	6,556,720	4,989,178	4,907,501	3,801,544	4,801,568	5,186,371	8,142,128	5,328,963
Public works	8,660,280	8,683,760	8,163,894	8,407,965	8,687,750	8,749,217	10,339,464	9,127,316	10,684,706	10,459,006
Engineering	903,440	990,811	1,091,174	1,012,595	983,545	1,139,983	1,176,520	983,839	974,241	970,091
Parks and recreation	3,853,802	4,459,702	5,320,805	5,205,534	6,986,768	6,834,700	7,160,670	7,634,255	7,939,785	8,328,491
Community revitalization	1,432,762	3,008,056	2,702,468	2,690,490	1,823,575	1,948,078	2,645,895	3,573,194	4,422,615	2,170,571
Emergency management	1,087,972	-	2,263,801	-	-	-	-	-	-	-
Hazard Mitigation	5,847,233	469,501	93,386	344,245	-	-	-	-	-	-
Capital projects:										
General government	60,052	31,604	34,323	136,122	117,391	25,000	252,543	56,045	801,837	711,148
Public safety	951,801	944,470	413,219	65,665	875,842	99,006	856,699	558,465	1,099,129	43,487
Parks and recreation	2,405,976	2,461,473	10,643,850	10,254,898	1,044,288	1,907,827	861,726	675,657	274,414	134,851
Public service	92,048	217,888	47,341	2,763	36,654	1,644,876	1,346,759	6,418,173	1,478,933	4,781,240
Community revitalization	-	-	-	-	-	-	154,794	12,485	-	-
Debt service:										
Principal	1,443,233	1,938,575	2,629,979	2,481,687	2,690,399	2,247,878	2,979,134	3,202,319	2,980,771	2,803,104
Interest	615,190	428,682	314,257	1,106,418	460,662	487,768	488,393	444,084	292,268	492,656
<b>Total expenditures</b>	<b>56,971,713</b>	<b>50,439,032</b>	<b>64,376,277</b>	<b>60,640,610</b>	<b>53,423,828</b>	<b>55,628,808</b>	<b>61,504,424</b>	<b>68,853,880</b>	<b>70,151,924</b>	<b>72,210,449</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,300,035)</b>	<b>(3,157,463)</b>	<b>(13,910,956)</b>	<b>(10,181,054)</b>	<b>(1,152,697)</b>	<b>(1,767,831)</b>	<b>(7,375,975)</b>	<b>(8,093,070)</b>	<b>(8,283,411)</b>	<b>(4,910,748)</b>

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other financing sources (uses)</b>										
Transfers in	\$ 4,215,042	\$ 3,648,625	\$ 3,906,689	\$ 3,934,664	\$ 4,071,907	\$ 6,233,811	4,863,050	4,132,894	7,157,151	4,827,886
Transfers out	(1,898,473)	(2,669,775)	(2,460,283)	(2,288,164)	(1,859,462)	(3,365,371)	(2,213,050)	(1,329,202)	(1,849,151)	(1,761,886)
Capital contributions	-	-	100,388	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	1,305,000	1,084,661	410,339	-
Proceeds from installment purchase agreement	758,000	12,574,001	1,532,354	725,000	1,032,000	1,586,000	2,822,000	1,705,000	2,296,000	1,255,000
<b>Total other financing sources (uses)</b>	3,074,569	13,552,851	3,079,148	2,371,500	3,244,445	4,454,440	6,777,000	5,593,353	8,014,339	4,321,000
<b>Net change in fund balance</b>	\$ 774,534	\$ 10,395,388	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609	\$ (596,975)	\$ (2,499,717)	\$ (269,072)	\$ (589,748)
<b>Total debt service</b>	\$ 2,058,423	\$ 2,367,257	\$ 2,944,236	\$ 3,588,105	\$ 3,151,061	\$ 2,735,646	\$ 3,467,527	\$ 3,646,403	\$ 3,273,039	\$ 3,295,760
Total expenditures	56,971,713	50,439,032	64,376,277	60,640,610	53,423,828	55,628,808	61,504,424	68,853,880	70,151,924	72,210,449
Capital outlay primary government only	7,887,858	6,978,233	14,855,440	10,010,640	5,283,290	4,528,713	6,945,548	5,588,437	10,401,869	8,523,259
<b>Non-capital expenditures</b>	\$ 49,083,855	\$ 43,460,799	\$ 49,520,837	\$ 50,629,970	\$ 48,140,538	\$ 51,100,095	\$ 54,558,876	\$ 63,265,443	\$ 59,750,055	\$ 63,687,190
<b>Debt service as a percentage of non-capital expenditures</b>	4.19%	5.45%	5.95%	7.09%	6.55%	5.35%	6.36%	5.76%	5.48%	5.17%

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Service</b>	<b>Public Works and Engineering</b>	<b>Parks &amp; Recreation</b>	<b>Emergency Management Hazard Mitigation</b>	<b>Community Revitalization</b>	<b>Debt Service</b>	<b>Total Expenditures</b>
2003	4,728,897	17,517,771	8,475,157	9,563,720	6,259,778	6,935,205	1,432,762	2,058,423	56,971,713
2004	4,067,463	19,309,118	4,621,891	9,674,571	6,921,175	469,501	3,008,056	2,367,257	50,439,032
2005	5,193,166	19,355,436	6,604,061	9,255,068	15,964,655	2,357,187	2,702,468	2,944,236	64,376,277
2006	4,835,449	19,309,388	4,991,941	9,420,560	15,460,432	344,245	2,690,490	3,588,105	60,640,610
2007	5,079,691	20,722,995	4,944,155	9,671,295	8,031,056	-	1,823,575	3,151,061	53,423,828
2008	5,468,209	21,398,728	5,446,420	9,889,200	8,742,527	-	1,948,078	2,735,646	55,628,808
2009	6,005,118	23,544,383	6,148,327	11,515,984	8,022,396	-	2,800,689	3,467,527	61,504,424
2010	6,212,087	25,384,100	11,604,544	10,111,155	8,309,912	-	3,585,679	3,646,403	68,853,880
2011	6,658,279	26,303,784	9,621,061	11,658,947	8,214,199	-	4,422,615	3,273,039	70,151,924
2012	5,819,102	25,504,159	10,110,203	11,429,097	8,463,342	5,418,215	2,170,571	3,295,760	72,210,449

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes		Local Option Sales Tax		Franchise Tax		Tele- Communications Tax		Inventory Tax		Beer & Wine Tax		Intangibles Tax Reimbursement		Licenses Permits & Other Taxes		Total Tax Revenues	
2003	14,453,446	6,988,835	2,092,717	674,218	-	237,060	-	674,218	-	237,060	-	1,014,465	-	25,460,741				
2004	15,096,358	7,780,851	2,114,785	643,218	-	241,192	-	643,218	-	241,192	-	959,509	-	26,835,913				
2005	15,410,242	8,484,481	2,156,778	690,000	-	248,474	-	690,000	-	248,474	-	1,062,447	-	28,052,422				
2006	15,471,066	8,645,938	2,286,691	649,543	-	248,713	-	649,543	-	248,713	-	1,154,278	-	28,456,229				
2007	17,489,699	9,114,179	2,139,942	892,825	-	254,360	-	892,825	-	254,360	-	1,093,244	-	30,984,249				
2008	17,851,029	9,466,144	2,415,663	836,645	-	259,635	-	836,645	-	259,635	-	1,065,569	-	31,894,685				
2009	19,350,631	8,809,926	2,653,519	942,964	-	264,527	-	942,964	-	264,527	-	950,558	-	32,021,566				
2010	21,344,953	8,543,046	2,932,552	912,148	-	84,474	-	912,148	-	84,474	-	948,416	-	34,765,589				
2011	21,262,639	8,866,679	3,019,976	835,047	-	265,409	-	835,047	-	265,409	-	883,621	-	35,133,371				
2012	21,863,586	9,295,496	2,945,703	873,769	-	249,920	-	873,769	-	249,920	-	921,813	-	36,150,286				

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

Note: Ad valorem taxes includes penalties & interest

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Tele-communication Tax</u>	<u>Inter-Governmental Revenue</u>	<u>Licenses &amp; Permits</u>	<u>Sales and Services</u>	<u>Project Revenue</u>	<u>Investment Earnings</u>	<u>Other Revenue</u>	<u>Total Revenues</u>
2003	14,520,896	674,218	29,970,198	1,014,465	6,412,018	639,197	386,621	1,728,282	55,345,895
2004	15,166,045	643,218	21,628,341	959,509	6,287,858	755,317	325,595	1,515,686	47,281,569
2005	15,480,246	690,000	24,313,998	1,062,447	5,776,514	953,509	571,907	1,616,700	50,465,321
2006	15,539,062	649,543	21,788,709	1,154,278	7,087,149	1,956,496	953,803	1,330,516	50,459,556
2007	17,557,400	892,825	20,734,269	1,093,244	7,440,276	2,248,049	1,137,780	1,167,288	52,271,131
2008	17,911,751	836,645	21,898,618	1,065,569	7,088,107	2,240,943	980,278	1,839,066	53,860,977
2009	19,410,649	942,964	21,266,536	950,558	7,442,379	2,369,044	436,902	1,311,417	54,130,449
2010	21,415,865	912,148	22,896,646	948,416	7,680,531	2,703,369	122,011	4,081,824	60,760,810
2011	21,337,096	835,047	24,246,364	883,621	7,777,765	3,346,505	86,433	3,355,682	61,868,513
2012	21,939,984	873,769	26,236,177	921,813	8,487,008	7,571,153	70,342	1,199,455	67,299,701

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Residential Property		Commercial Property		Personal Property		Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Edgemcombe		Edgemcombe		Edgemcombe		Edgemcombe					
	Nash	Edgemcombe	Nash	Edgemcombe	Nash	Edgemcombe	Nash	Edgemcombe				
2003	1,037,986,053	256,099,724	783,042,111	85,366,575	608,893,225	114,220,469	26,762,807	56,019,837	2,968,390,800	0.48	3,177,764,775	93.41%
2004	1,054,977,251	253,503,275	795,860,032	84,501,092	562,746,225	104,125,246	32,695,064	47,181,660	2,935,589,845	0.50	3,176,490,414	92.42%
2005	1,077,695,549	262,120,334	812,998,397	78,295,684	593,586,482	101,352,335	36,435,170	49,004,400	3,011,488,351	0.50	3,256,634,332	92.47%
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	631,198,099	86,492,902	36,173,019	42,110,137	3,068,079,978	0.50	3,436,851,062	89.27%
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425	36,836,521	38,935,022	3,232,396,715	0.55	3,795,146,495	85.17%
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	638,241,681	73,577,842	34,582,543	38,951,598	3,307,759,196	0.58	3,392,345,413	97.51%
2010 (4&5)	1,466,556,229	409,793,603	1,106,349,436	96,124,426	640,883,468	73,864,477	39,404,429	46,781,653	3,879,757,721	0.55	3,925,781,032	98.83%
2011	1,469,281,707	419,703,338	1,108,405,499	85,963,334	634,273,081	70,699,771	40,818,345	46,879,116	3,876,024,191	0.55	3,978,527,748	97.42%
2012	1,467,562,469	467,531,300	1,107,108,530	40,654,896	634,311,603	74,423,775	43,700,708	46,023,256	3,881,316,539	0.55	3,884,134,999	99.93%

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

**Notes:**

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years

(rate per \$100 of assessed value)

<u>City of Rocky Mount</u>				<u>Overlapping Rates Edgecombe County</u>			<u>Total Direct and Overlapping Rates (Edgecombe County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>School Millage (2)</u>	<u>Total County Millage</u>	
2003	0.48	-	0.48	0.91	-	0.91	1.39
2004	0.50	-	0.50	0.91	-	0.91	1.41
2005	0.50	-	0.50	0.93	-	0.93	1.43
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49
2008	0.55	-	0.55	0.94	-	0.94	1.49
2009	0.58	-	0.58	0.94	-	0.94	1.52
2010	0.55	-	0.55	0.86	-	0.86	1.41
2011	0.55	-	0.55	0.86	-	0.86	1.41
2012	0.55	-	0.55	0.86	-	0.86	1.41

<u>City of Rocky Mount</u>				<u>Overlapping Rates Nash County</u>		<u>Total Direct and Overlapping Rates (Nash County)</u>
<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Municipal Service District Tax (1)</u>	
2003	0.48	-	0.48	0.66	0.20	1.34
2004	0.50	-	0.50	0.66	0.20	1.36
2005	0.50	-	0.50	0.66	0.20	1.36
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.66	0.20	1.41
2008	0.55	-	0.55	0.70	0.20	1.45
2009	0.58	-	0.58	0.70	0.20	1.48
2010	0.55	-	0.55	0.70	0.20	1.45
2011	0.55	-	0.55	0.67	0.20	1.42
2012	0.55	-	0.55	0.67	0.20	1.42

Sources: City of Rocky Mount Finance Department

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

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

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

Taxpayer	Type of Business	2012			2013		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc <sup>a</sup>	Pharmaceuticals	\$152,652,550	1	3.93 %	\$70,773,645	1	2.38 %
PNC Bank <sup>b</sup>	Banking	60,798,872	2	1.57	47,421,682	3	1.60
Carolina Telephone Company	Communications	46,215,534	3	1.19	41,338,314	4	1.39
Edgecombe Genco LLC <sup>c</sup>	Electrical Energy Producer	37,677,794	4	0.97	57,065,659	2	1.92
Hendon Golden East LLC <sup>d</sup>	Retail Shopping Center	35,680,610	5	0.92	24,486,330	5	0.82
Cobb Corners Ltd. Partnership	Retail Shopping Center	27,115,790	6	0.70	15,600,603	9	0.53
Kaba Ilco Corp <sup>e</sup>	Key & Security System Manufacturer	18,868,537	7	0.49	23,403,193	6	0.79
Honeywell International Inc	Aircraft Manufacturer	15,565,117	8	0.40	21,440,176	7	0.72
Progress Energy Carolinas	Electrical Energy Producer	14,928,702	9	0.38			
CSX Transportation	Railroad Transportation	14,404,686	10	0.37			
Interstate Brands Co. Ry Mt Inc	Bakery				16,715,029	8	0.56
Oakwood Properties LLC	Rental Properties				11,882,268	10	0.40
<b>Total</b>		<b>\$423,908,192</b>		<b>10.92 %</b>	<b>\$330,126,899</b>		<b>11.12 %</b>

Source: City of Rocky Mount Finance Dept

- <sup>a</sup> Formerly Abbott Laboratories
- <sup>b</sup> Formerly C F Golden East L P
- <sup>c</sup> Formerly Kaba Benzling Inc
- <sup>d</sup> Formerly Centura Bank
- <sup>e</sup> Formerly Cogentrix of Rocky Mount

**City of Rocky Mount, North Carolina**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2003	14,241,109	277,126	14,518,235	13,464,833	94.55	914,012	14,378,845	99.04
2004	14,676,242	312,837	14,989,079	14,046,434	95.71	812,478	14,858,912	99.13
2005	15,314,550	364,564	15,679,114	14,652,620	95.68	896,596	15,549,216	99.17
2006	15,188,026	462,745	15,650,771	14,663,915	96.55	838,241	15,502,156	99.05
2007	17,089,087	446,941	17,536,028	16,403,053	95.99	930,303	17,333,356	98.84
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,096,816	17,908,508	98.77
2009	19,086,402	454,600	19,541,002	18,132,030	95.00	1,130,102	19,262,132	98.57
2010	21,219,040	422,138	21,641,178	20,125,420	94.85	991,170	21,116,590	97.58
2011	21,239,809	386,639	21,626,448	19,993,488	94.13	860,916	20,854,404	96.43
2012	21,241,883	105,597	21,347,480	20,276,321	95.45		20,276,321	94.98

Source: City of Rocky Mount Finance Department

**City of Rocky Mount, North Carolina**

Electric Utility Revenue Rates  
Fiscal Year 2011 -2012

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	Monthly Energy Charge-750 kWh/kWh	Monthly Energy Charge-First 1250 kWh/kWh	Monthly Energy Charge-All Over 2000 kWh/kWh	Monthly Energy Charge-First 2000 kWh/kWh	Monthly Energy Charge-Additional kWh/kWh
Residential		10.00	25.00				0.1131538				
Small General Service		18.22	31.90					0.158244	0.124472		
Medium General Service		19.01	33.29				0.097561				
Large General Service	807.20						0.073988				
Coordinated Demand Control Service				189.68	695.49	1,327.76	0.058375				
Med General Seasonal/Intermittent		26.60	40.88							0.145534	0.115393

Source: City of Rocky Mount Administrative Policy

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

**City of Rocky Mount, North Carolina**

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

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Residential-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	7.79	8.16	8.26	9.23	9.23	9.23	10.00	10.00	10.00	10.00
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.68	11.83	13.22	13.22	13.22	15.00	15.00	15.00	15.00
Monthly Energy Charge/kWH				0.12	0.11	0.11	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Summer	0.10	0.11	0.11	-	-	-	-	-	-	-
Monthly Energy Charge/kWH-Winter	0.09	0.09	0.09	-	-	-	-	-	-	-
<b>Small General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	14.85	15.56	15.75	17.60	17.60	17.60	18.22	18.22	18.22	18.22
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.68	11.83	13.22	13.22	13.22	13.68	13.68	13.68	13.68
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.11	0.12	0.12	0.14	0.14	0.14	0.16	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.09	0.10	0.10	0.11	0.11	0.11	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.09	0.09	0.09	0.11	0.11	0.11	0.12	0.12	0.12	0.12
<b>Medium General Service-rates at fiscal year-end</b>										
Monthly Customer Charge-Single Phase	14.85	15.56	15.75	17.60	17.60	17.60	19.01	19.01	19.01	19.01
Monthly Customer Charge-Three Phase(add amount to single)	11.15	11.68	11.83	13.22	13.22	13.22	14.28	14.28	14.28	14.28
Monthly Energy Charge/kWH	0.07	0.07	0.07	0.08	0.08	0.08	0.10	0.10	0.10	0.10
<b>Large General Service-rates at fiscal year-end</b>										
Monthly Customer Charge	619.00	656.71	733.82	733.82	733.82	733.82	807.20	807.20	807.20	807.20
Monthly Energy Charge/kWH	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.07

**City of Rocky Mount, North Carolina**

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

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Coordinated Demand Control Service-rates fiscal end</b>										
Monthly Customer Charge-Under 1,000 kW	150.00	157.17	157.17	175.63	175.63	175.63	189.68	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	550.00	576.30	576.30	643.97	643.97	643.97	695.49	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	1,050.00	1,100.22	1,100.22	1,229.41	1,229.41	1,229.41	1,327.76	1,327.76	1,327.76	1,327.76
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.06
<b>Med General Seasonal/Intermittent-rates fiscal end</b>										
Monthly Customer Charge-Single Phase	14.85	15.56	15.75	17.60	17.60	17.60	26.60	26.60	26.60	26.60
Monthly Customer Charge-Three Phase	26.00	27.24	27.58	30.82	30.82	30.82	40.88	40.88	40.88	40.88
Monthly Energy Charge-First 2000 kWh/kWH	0.10	0.11	0.11	0.12	0.12	0.12	0.15	0.15	0.15	0.15
Monthly Energy Charge-Additional kWh/kWH	0.08	0.08	0.08	0.10	0.09	0.09	0.12	0.12	0.12	0.12

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

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

**City of Rocky Mount, North Carolina**

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

Type of Business	2012			2003		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue
Healthcare	\$ 2,297,279	1	2.54%	\$ 1,244,762	2	1.80%
Key & Security System Manufacturer	1,003,743	2	1.11%	802,652	4	1.16%
Bread Distributor	976,807	3	1.08%	847,987	3	1.23%
Plastic Packaging Manufacturer	935,560	4	1.03%	-		
Food Distributor	909,823	5	1.01%	542,991	7	0.78%
Bakery Production Facility	831,959	6	0.92%	-		
Department Store	656,604	7	0.73%	488,543	9	0.71%
Communications	596,136	8	0.66%	536,163	8	0.77%
Elevator Products Manufacturer	502,874	9	0.56%	456,970	10	0.66%
Bakery Production Facility	431,277	10	0.48%	-		
Textile Manufacturer	-			1,346,701	1	1.95%
Textile Manufacturer	-			640,507	6	0.93%
Textile Manufacturer	-			-		
Food Distributor	-			720,304	5	1.04%
	<u>\$ 9,142,062</u>		<u>10.11%</u>	<u>\$ 7,627,580</u>		<u>11.02%</u>

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Power</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
2003	\$ 68,690,602	\$ 55,041,060	\$ 12,373,660	\$ 1,275,882	\$ 60,697	\$ 1,336,579	\$ (1,673,704)	\$ (337,125)	-0.5%
2004	70,099,299	56,464,242	12,811,149	823,908	358,607	1,182,515	(1,729,180)	(546,665)	-0.8%
2005	69,650,344	56,336,079	11,912,498	1,401,767	598,235	2,000,002	(946,406)	1,053,596	1.5%
2006	78,239,181	62,244,977	11,847,200	4,147,004	(155,379)	3,991,625	(1,016,500)	2,975,125	3.8%
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969	(1,450,000)	3,814,969	4.6%
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859	(1,500,000)	3,612,859	4.3%
2009	90,529,005	73,432,691	13,252,151	3,844,163	(84,844)	3,759,318	(1,600,000)	2,159,318	2.4%
2010	94,210,653	75,831,363	13,969,285	4,410,005	2,097,226	6,507,231	(1,590,780)	4,916,451	5.2%
2011	96,025,207	77,389,296	14,340,205	4,295,706	(99,146)	4,196,560	(2,181,700)	2,014,860	2.1%
2012	89,571,738	74,419,871	13,832,305	1,319,562	(328,186)	991,376	(791,132)	200,244	0.2%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ELECTRIC FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2003	\$ 67,987,358	\$ 703,244	\$ 56,028	\$ 426,844	\$ 20,540	\$ 69,194,014
2004	69,947,046	152,253	508,908	285,907	18,799	70,912,913
2005	69,259,750	390,594	794,744	-	20,108	70,465,196
2006	77,276,496	962,685	-	250,000	319,932	78,809,113
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301
2008	81,823,996	1,462,308	-	-	559,737	83,846,041
2009	89,004,211	1,524,794	-	-	481,932	91,010,936
2010	92,440,662	1,769,991	-	2,257,775	402,727	96,871,155
2011	94,371,459	1,653,748	-	318,300	228,002	96,571,509
2012	88,157,911	1,413,827	63,461	708,868	61,319	90,405,386

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**ELECTRIC FUND USER CHARGES**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Commercial</b>	<b>Seasonal</b>	<b>Other Lights</b>	<b>Total Revenues</b>
2003	\$ 31,405,564	\$ 31,980,148	\$ 3,040,122	\$ 120,173	\$ 1,441,351	\$ 67,987,358
2004	31,900,566	34,008,336	2,348,027	124,267	1,565,850	69,947,046
2005	31,523,269	34,013,985	2,063,686	120,620	1,538,190	69,259,750
2006	36,321,665	36,775,239	2,401,305	134,323	1,643,964	77,276,496
2007	37,192,405	39,477,453	2,484,540	131,543	1,734,325	81,020,266
2008	37,707,077	39,611,025	2,472,961	281,242	1,751,691	81,823,996
2009	41,709,152	42,381,333	2,683,107	295,579	1,935,040	89,004,211
2010	43,397,592	43,823,509	2,877,527	333,594	2,008,441	92,440,662
2011	44,716,962	44,365,860	2,970,260	315,935	2,002,442	94,371,459
2012	40,212,629	42,797,522	2,852,626	273,571	2,021,564	88,157,911

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Purchased Gas</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income Before Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
2003	\$ 19,385,470	\$ 13,281,194	\$ 4,388,581	\$ 1,715,695	\$ (43,744)	\$ 1,671,951	\$ 114,465	\$ 1,786,416	9.2%
2004	23,085,573	15,947,768	4,980,597	2,157,208	(408,720)	1,748,488	-	1,748,488	7.6%
2005	27,087,316	20,022,261	4,463,489	2,601,566	28,994	2,630,560	(700,000)	1,930,560	7.1%
2006	31,684,789	26,372,355	4,436,476	875,958	59,438	935,396	(1,000,000)	(64,604)	-0.2%
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923	(900,000)	1,917,923	6.5%
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384	(1,125,000)	2,193,384	7.7%
2009	29,689,679	20,694,036	4,764,483	4,231,160	42,974	4,274,134	(1,000,000)	3,274,134	11.0%
2010	25,025,210	16,455,078	4,961,557	3,608,575	(248,616)	3,359,959	(1,250,000)	2,109,959	8.4%
2011	24,079,519	16,116,224	6,245,513	1,717,782	(29,343)	1,688,439	(1,400,000)	288,439	1.2%
2012	19,545,646	11,130,071	7,073,482	1,342,093	(68,154)	1,273,939	(1,266,000)	7,939	0.04%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**GAS FUND REVENUES BY SOURCE**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2003	\$ 19,385,219	\$ 251	\$ -	\$ 33,757	\$ 19,419,227
2004	23,036,682	48,891	-	24,662	23,110,235
2005	27,087,066	250	-	62,244	27,149,560
2006	31,684,589	200	-	234,496	31,919,285
2007	29,526,454	-	-	307,887	29,834,341
2008	28,531,480	16,480	-	314,643	28,862,603
2009	29,655,658	34,021	-	220,179	29,909,858
2010	25,026,292	(1,082)	-	157,267	25,182,477
2011	24,063,284	16,235	-	54,603	24,134,122
2012	19,510,767	34,879	29,272	44,032	19,618,950

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### GAS FUND USER CHARGES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Special</u>	<u>Seasonal</u>	<u>Other</u>	<u>Total Revenues</u>
2003	\$ 11,056,184	\$ 5,481,151	\$ 678,990	\$ 1,984,805	\$ 141,540	\$ 42,549	19,385,219
2004	12,297,077	6,536,227	859,116	3,187,255	138,164	18,843	23,036,682
2005	14,000,487	7,752,418	819,822	4,307,113	204,058	3,168	27,087,066
2006	16,192,772	9,526,806	1,150,982	4,455,658	355,708	2,662	31,684,589
2007	14,975,766	8,592,738	1,102,949	4,565,371	288,076	1,554	29,526,454
2008	13,951,182	8,082,688	1,197,004	4,849,275	451,004	327	28,531,480
2009	15,094,397	8,775,190	1,163,655	3,918,287	704,281	(152)	29,655,658
2010	13,103,265	7,132,263	920,091	3,226,058	644,615	-	25,026,292
2011	12,704,787	6,881,866	1,021,194	3,106,369	349,068	-	24,063,284
2012	9,845,454	5,777,053	991,476	2,490,777	406,006	-	19,510,767

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income (loss)</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income (loss) to Operating Revenues</b>
2003	\$ 8,375,012	\$ 7,265,783	\$ 1,109,229	\$ (396,474)	\$ 712,755	\$ 3,311,234	\$ 4,023,989	48.0%
2004	8,617,670	7,836,436	781,234	(392,638)	388,596	(133,373)	255,223	3.0%
2005	8,788,591	7,747,906	1,040,685	(242,086)	798,599	(600,000)	198,599	2.3%
2006	9,514,292	8,099,827	1,414,465	(231,641)	1,182,824	(330,000)	852,824	9.0%
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664	(350,000)	559,664	5.9%
2008	9,294,113	8,489,576	804,537	(40,717)	763,820	(119,000)	644,820	6.9%
2009	9,273,368	9,636,746	(363,377)	29,863	(333,514)	(350,000)	(683,514)	-7.4%
2010	11,190,160	8,881,041	2,309,119	160,691	2,469,810	(250,000)	2,219,810	19.8%
2011	11,663,325	9,031,332	2,631,993	(47,282)	2,584,711	(408,767)	2,175,944	18.7%
2012	10,371,461	9,156,365	1,215,096	(126,421)	1,088,675	(500,000)	588,675	5.7%

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2003	\$ 8,200,445	\$ 89,785	\$ 92,694	\$ -	\$ 72,947	\$ 37,030	\$ 8,492,901
2004	8,434,449	38,228	161,290	-	10,100	32,831	8,676,898
2005	8,668,630	82,335	37,626	-	-	61,828	8,850,419
2006	9,329,808	79,094	105,390	-	-	168,322	9,682,614
2007	9,323,877	36,407	151,761	-	-	214,692	9,726,737
2008	9,059,969	40,597	193,547	-	-	185,226	9,479,339
2009	9,010,135	51,032	106,666	103,859	105,536	83,016	9,460,243
2010	10,970,151	42,976	177,033	67,370	156,631	61,646	11,475,807
2011	11,424,381	46,990	191,954	52,750	91,233	59,883	11,867,191
2012	10,140,548	38,859	192,054	14,119	-	31,806	10,417,386

Source: Audited financial reports of the City of Rocky Mount

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## WATER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Inside City</b>	<b>Outside City</b>	<b>Municipal</b>	<b>Other</b>	<b>Total Revenues</b>
2003	\$ 6,752,354	\$ 663,394	\$ 782,400	\$ 2,296	\$ 8,200,445
2004	6,843,878	717,074	871,724	1,773	8,434,449
2005	7,130,536	738,940	796,923	2,230	8,668,630
2006	7,674,909	835,590	818,929	380	9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877
2008	7,241,132	863,623	955,214	-	9,059,969
2009	7,285,379	633,808	1,090,948	-	9,010,135
2010	8,074,971	1,352,958	1,542,222	-	10,970,151
2011	9,106,840	748,923	1,568,618	-	11,424,381
2012	7,986,742	699,609	1,454,197	-	10,140,548

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
2003	\$ 8,989,252	\$ 8,633,456	\$ 355,796	\$ (499,239)	\$ (143,443)	\$ 663,944	\$ 520,501	5.8%
2004	8,623,692	8,890,909	(267,217)	(458,661)	(725,878)	31,678	(694,200)	-8.0%
2005	9,213,340	9,335,446	(122,106)	(331,288)	(453,394)	-	(453,394)	-4.9%
2006	10,311,549	9,395,580	915,969	(346,652)	569,317	-	569,317	5.5%
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415	(22,445)	1,009,970	9.5%
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230	(386,090)	595,140	5.8%
2009	10,641,539	9,729,040	912,499	(218,125)	694,375	-	694,375	6.5%
2010	11,924,944	10,491,072	1,433,872	(19,839)	1,414,033	(12,912)	1,401,121	11.7%
2011	11,817,647	10,546,926	1,270,721	(234,530)	1,036,191	240,815	1,277,006	10.8%
2012	11,768,570	10,782,819	985,751	(241,317)	744,434	516,825	1,261,259	10.7%

Source: Audited financial reports of the City of Rocky Mount

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**SEWER FUND REVENUES BY SOURCE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Licenses and Permits</b>	<b>Other Operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2003	\$ 9,037,813	\$ 23,682	\$ 86,783	\$ -	\$ 65,957	\$ 9,214,235
2004	8,542,153	10,604	102,613	-	27,766	8,683,136
2005	8,994,505	5,930	212,905	-	22,218	9,235,558
2006	10,135,472	(7,919)	183,996	-	84,469	10,396,018
2007	10,522,925	10,465	68,232	-	89,195	10,690,817
2008	10,114,902	32,606	98,271	-	102,610	10,348,389
2009	10,162,577	29,911	449,051	-	88,204	10,729,743
2010	11,728,526	47,552	148,866	194,360	78,285	12,197,589
2011	11,641,154	37,111	139,382	300,815	103,151	12,221,613
2012	11,549,285	45,019	174,266	516,825	67,778	12,353,173

Source: Audited financial reports of the City of Rocky Mount

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### SEWER FUND USER CHARGES

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Sewer Service</b>	<b>Sewer Surcharge</b>	<b>Sewer No Water</b>	<b>Wholesale</b>	<b>Other</b>	<b>Total Revenues</b>
2003	\$ 7,008,116	\$ 314,799	\$ 373,715	\$ 1,292,647	\$ 48,536	\$ 9,037,813
2004	6,770,687	384,146	289,774	1,063,778	33,768	8,542,153
2005	7,578,173	266,046	71,480	1,041,481	37,325	8,994,505
2006	8,111,423	503,691	61,818	1,429,185	29,356	10,135,472
2007	8,386,692	134,055	92,025	1,880,219	29,934	10,522,925
2008	8,136,203	309,030	76,810	1,567,474	25,385	10,114,902
2009	8,023,266	358,193	14,899	1,745,010	21,209	10,162,577
2010	9,058,870	371,775	16,705	2,256,489	24,687	11,728,526
2011	9,085,866	494,932	87,046	1,950,726	22,585	11,641,154
2012	8,873,524	401,266	89,566	2,162,492	22,437	11,549,285

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**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues &amp; (Expenses) Net</b>	<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>Capital Contributions &amp; Transfers In (Out) Net</b>	<b>Net Income (Loss)</b>	<b>Ratio of Net Income to Operating Revenues</b>
2003	\$ -	\$ 390,467	\$ (390,467)	\$ -	\$ (390,467)	\$ -	\$ (390,467)	0.0%
2004	2,246,746	2,287,496	(40,750)	(650)	(41,400)	1,301,307	1,259,907	56.1%
2005	2,333,267	2,339,776	(6,509)	17,261	10,752	800,000	810,752	34.7%
2006	2,673,764	2,227,602	446,162	(295,883)	150,279	700,000	850,279	31.8%
2007	2,666,750	2,738,985	(72,235)	112,552	40,317	510,000	550,317	20.6%
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)	300,000	191,981	7.1%
2009	2,918,743	2,849,727	69,016	39,492	108,508	300,000	408,508	14.0%
2010	2,933,755	2,931,774	1,981	68,807	70,788	300,000	370,788	12.6%
2011	3,352,106	3,054,109	297,997	1,357	299,354	(85,162)	214,192	6.4%
2012	3,603,852	3,328,564	275,288	(10,210)	265,078	200,000	465,078	12.9%

Source: Audited financial reports of the City of Rocky Mount

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**STORMWATER FUND REVENUES BY SOURCE**

Last Nine Fiscal Years

<b>Fiscal Year</b>	<b>User Charges</b>	<b>Other Operating Revenues</b>	<b>Other Non-operating Revenues</b>	<b>Grants and Subsidies</b>	<b>Investment Earnings</b>	<b>Total Revenues</b>
2004	\$ 2,246,746	\$ -	\$ -	\$ -	\$ 2,137	\$ 2,248,883
2005	2,333,267	-	-	-	23,603	2,356,870
2006	2,673,764	-	-	-	77,107	2,750,871
2007	2,666,750	-	-	-	122,104	2,788,854
2008	2,691,342	-	-	-	111,921	2,803,263
2009	2,918,643	100	-	-	59,734	2,978,477
2010	2,930,985	2,770	-	43,126	33,349	3,010,230
2011	3,351,376	730	-	14,838	26,199	3,393,143
2012	3,413,995	189,857	380	-	13,529	3,617,761

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

# CITY OF ROCKY MOUNT, NORTH CAROLINA

## STORMWATER FUND USER CHARGES

Last Nine Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Multi-family</b>	<b>Commercial</b>	<b>Total Revenues</b>
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	744,151	170,866	1,751,733	2,666,750
2008	744,473	184,058	1,762,811	2,691,342
2009	790,210	195,884	1,932,549	2,918,643
2010	783,135	196,926	1,950,925	2,930,985
2011	882,349	229,915	2,239,111	3,351,376
2012	893,621	232,456	2,287,919	3,413,995

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Capital Leases	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases					
2003	\$ 6,907,494	\$ 135,000	\$ -	\$ 25,374	\$ 5,781,335	\$ 7,633,665	\$ -	\$ 3,881,565		\$ 24,364,433	0.67%	433.46	
2004	17,435,317	135,000	-	157,984	4,908,640	6,481,360	-	3,058,425		32,176,726	0.84%	573.19	
2005	16,519,537	-	-	144,683	4,051,029	5,348,971	592,893	9,219,339		35,876,452	0.91%	637.14	
2006	14,828,599	-	-	111,288	3,210,656	4,239,344	1,194,328	8,987,480		32,571,695	0.78%	578.64	
2007	13,760,314	-	1,500,000	-	2,385,366	3,149,634	4,253,610	7,717,568		32,766,492	0.77%	581.34	
2008	13,323,336	-	1,300,000	17,000	1,577,315	2,082,685	4,255,536	7,826,068		30,381,940	0.68%	539.03	
2009	13,366,200	1,305,000	1,100,000	17,000	782,193	1,032,807	4,033,543	10,216,290		31,853,033	0.69%	537.80	
2010	12,068,881	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946		33,811,776	0.70%	561.47	
2011	12,477,111	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382		33,111,304	not available	576.08	
2012	11,274,007	2,510,000	500,000	834,046	-	-	5,268,013	13,468,136		33,854,202	not available	589.46	

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund					
2003	\$ 13,415,000	\$ -	\$ 13,415,000	0.95%	0.39%	239	
2004	11,390,000	0	11,390,000	0.77%	0.31%	203	
2005	9,400,000	0	9,400,000	0.62%	0.25%	167	
2006	7,450,000	0	7,450,000	0.46%	0.22%	132	
2007	5,535,000	0	5,535,000	0.34%	0.14%	98	
2008	3,660,000	0	3,660,000	0.21%	0.09%	65	
2009	1,815,000	0	1,815,000	0.10%	0.05%	31	
2010	-	0	0	0.00%	0.00%	0	
2011	-	0	0	0.00%	0.00%	0	
2012	-	0	0	0.00%	0.00%	0	

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

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**COMPUTATION OF DIRECT AND OVERLAPPING  
Bonded Debt as of June 30, 2012**

<u>Name of Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount<sup>1</sup></u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt			
City of Rocky Mount:			
Sanitary Sewer	\$ -	100.0%	\$ -
Water	<u>-</u>	100.0%	<u>-</u>
Total Direct Debt	<u>\$ -</u>		<u>\$ -</u>
Overlapping Debt			
Edgecombe County:			
Water & Sewer	10,858,000	18.0%	1,954,440
Water & Sewer Bond			
Anticipation Notes	6,572,000	18.0%	1,182,960
Nash County	<u>-</u>	82.0%	<u>-</u>
Total Overlapping Debt	<u>\$ 17,430,000</u>		<u>\$ 3,137,400</u>
Total direct and overlapping debt	<u>\$ 17,430,000</u>		<u>\$ 3,137,400</u>

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

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**COMPUTATION OF LEGAL DEBT MARGIN**

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505

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

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value	\$3,881,316,539
Debt Limit (8% of total assessed value) (1)	310,505,323
Debt applicable to limitation:	-
Total outstanding bonded debt at 6/30/11	-
Less: Statutory deductions (2 and 3)	-
Bonds issued and outstanding for water purposes	-
Bonds issued and outstanding for sewer purposes	-
Total amount of debt applicable to debt limit	-
Legal debt margin	\$310,505,323

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PLEDGED REVENUE COVERAGE - WATER & SEWER**

Last Ten Fiscal Years

		Sewer Bonds					
Fiscal Year	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt		Debt Service Requirements <sup>3</sup>		Coverage
			Service	Principal	Interest	Total	
2003	\$ 8,490,013	\$ 7,280,712	\$ 1,209,301	\$ 1,172,221	\$ 397,535	\$ 1,569,757	77.04%
2004	8,165,031	7,498,657	666,374	1,152,305	347,716	1,500,021	44.42%
2005	8,882,052	8,131,250	750,802	1,132,389	298,743	1,431,131	52.46%
2006	9,964,897	8,016,527	1,948,370	1,109,627	248,918	1,358,545	143.42%
2007	10,338,983	7,853,047	2,485,936	1,089,711	200,094	1,289,805	192.74%
2008	10,080,443	7,592,426	2,488,017	1,066,949	152,147	1,219,096	204.09%
2009	10,423,414	8,013,800	2,409,614	1,049,878	104,134	1,154,012	208.80%
2010	11,905,105	8,687,319	3,217,786	1,032,807	51,640	1,084,447	296.72%
2011	11,583,117	8,723,797	2,859,320	-	-	-	100.00%
2012	11,527,253	8,908,585	2,618,668	-	-	-	100.00%

		Water Bonds					
Fiscal Year	Operating Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt		Debt Service Requirements <sup>3</sup>		Coverage
			Service	Principal	Interest	Total	
2003	\$ 7,978,538	\$ 5,766,193	\$ 2,212,345	\$ 887,779	\$ 301,072	\$ 1,188,851	186.09%
2004	8,225,032	6,359,717	1,865,315	872,695	263,342	1,136,037	164.19%
2005	8,546,505	6,549,732	1,996,773	857,611	226,252	1,083,864	184.23%
2006	9,282,651	6,811,286	2,471,365	840,373	188,517	1,028,890	240.20%
2007	9,364,583	7,265,761	2,098,822	825,289	151,541	976,830	214.86%
2008	9,253,396	7,299,076	1,954,320	808,051	115,228	923,279	211.67%
2009	9,303,231	8,393,020	910,211	795,122	78,866	873,988	104.14%
2010	11,350,851	7,585,141	3,765,710	782,193	39,110	821,303	458.50%
2011	11,616,043	7,716,163	3,899,880	-	-	-	100.00%
2012	10,245,040	7,691,892	2,553,148	-	-	-	100.00%

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

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

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

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

## CITY OF ROCKY MOUNT, NORTH CAROLINA

### DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	City Population (1)	Rocky Mount MSA (a) Personal Income (Millions) (2)	Rocky Mount MSA (a) Per Capita Income (2)	Rocky Mount MSA (a) Unemployment Rate (3)	Rocky Mount MSA (a) Retail Sales (Millions) (4)
2003	56,209	3,643.7	25,245	9.5%	1,060.7
2004	56,136	3,838.2	26,464	8.5%	1,112.5
2005	56,309	3,946.0	27,116	7.5%	1,173.5
2006	56,290	4,180.0	28,579	6.7%	720.5
2007	56,364	4,266.0	29,299	6.8%	720.0
2008	56,364	4,459.4	30,469	8.9%	707.0
2009	59,228	4,584.9	31,276	14.3%	634.9
2010	60,220	4,803.6	31,504	13.2%	562.2
2011	57,477	not available	not available	13.7%	668.8
2012	57,433	not available	not available	13.2%	704.3

Sources:

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

(a) Metropolitan Statistical Area

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank	Percentage of Total MSA (a)
Nash Rocky Mount Schools	2,275	1	3.62%	2,400	1	3.79%
Hospira	1,800	2	2.87%	2,322	2	3.67%
Nash Health Care Systems	1,480	3	2.36%	1,725	3	2.73%
PNC Bank (Formerly RBC)	1,250	4	1.99%	950	6	1.50%
Cummins-Rocky Mount Engines	1,150	5	1.83%	1,070	4	1.69%
CenturyLink/ Sprint	1,000	6	1.59%	600	9	0.95%
Universal Leaf	1,000	7	1.59%	1,000	5	1.58%
Kaba Ilco Corporation	575	8	0.92%	638	7	1.01%
McLane North Carolina	570	9	0.91%	622	8	0.98%
West Customer Management Group	450	10	0.72%			0.00%
IBC Merita Wonder Bakery			0.00%	0		0.00%
Aegis Communications			0.00%	500	10	0.79%
	<u>11,550</u>		<u>18.39%</u>	<u>11,827</u>		<u>18.68%</u>

Source: Employment Security Commission

(a) Metropolitan Statistical Area

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	100	103	101	106	105	105	102	112	112	114
Public Safety										
Police	177	175	184	193	191	195	206	223	200	197
Fire	132	136	136	133	133	148	146	144	142	142
Public Works	132	101	104	104	103	108	105	103	100	92
Engineering	21	24	24	23	25	24	25	25	25	25
Parks & Recreation	55	58	58	61	66	63	66	64	66	67
Public Service	2	2	2	2	4	4	4	4	4	2
Economic Development	26	25	23	20	20	22	22	24	20	17
Electric	50	53	54	58	59	63	64	67	69	69
Gas	19	20	21	21	18	19	20	19	18	18
Water	60	62	62	62	55	62	61	62	47	46
Sewer	27	27	27	25	27	24	24	24	37	35
Storm Water	1	32	32	33	31	34	37	38	39	39
<b>Total</b>	<b>801</b>	<b>818</b>	<b>828</b>	<b>840</b>	<b>837</b>	<b>871</b>	<b>882</b>	<b>909</b>	<b>879</b>	<b>863</b>

Source: Finance Department

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

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

<b>Function/Program</b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
<b>Police</b>										
Physical arrests	10,714	9,221	8,911	8,270	11,367	10,985	11,524	12,030	12,281	not available
Traffic violations	8,087	6,655	5,963	4,114	6,741	6,381	10,073	10,137	10,570	not available
<b>Fire</b>										
Number of calls answered	5,453	6,442	7,050	7,750	7,679	8,238	8,982	9,346	9,630	9,927
Inspections	3,350	2,686	2,862	2,957	2,361	2,174	2,491	2,385	2,009	2,444
<b>Water</b>										
Number of meters	24,258	26,379	26,915	24,700	24,998	25,172	24,314	24,364	24,927	24,441
Avg daily consumption (millions of gallons)	11.6	11.9	11.9	11.3	11.5	10.11	9.41	10.04	10.44	9.67
Peak daily consumption (millions of gallons)	15.2	16.0	17.0	16.4	13.5	15	15.99	16.39	16.00	15.07
<b>Wastewater</b>										
Avg daily sewer treatment (millions of gallons)	15.1	12.4	12.4	10.2	12.8	8.5	9.9	11.47	9.33	10.51

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	60	60	58	58	42	51	51	58	59	63
Fire										
Stations	6	7	7	7	7	7	7	7	7	7
Public Works										
Streets (miles)	268	270	272	268	263	281	283	284	284	284
Streetlights	6,739	6,957	6,957	6,957	6,850	6,913	6,919	6,830	6,830	6,949
Recreation and Parks										
Parks	46	46	46	41	41	41	41	41	41	41
Acreage	481	481	481	473	473	473	473	473	473	473
Swimming Pools	-	1	1	2	2	2	2	2	2	2
Tennis Courts	34	30	30	37	34	37	37	37	36	36
Recreation centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	350	360	360	461	473	480	480	480	489	492
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	11	11	11	11	10	10	10	9.25	9.25	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	665	680	429	687	720	734	735	733	733	741

