

Comprehensive Annual Financial Report

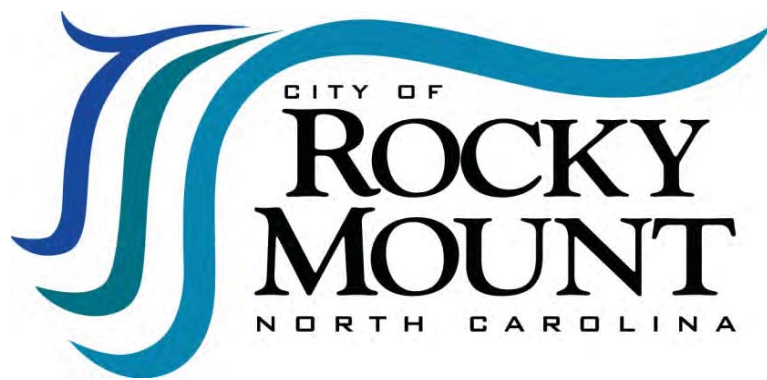


Fiscal Year Ended June 30, 2017

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017**

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



**CITY OF ROCKY MOUNT, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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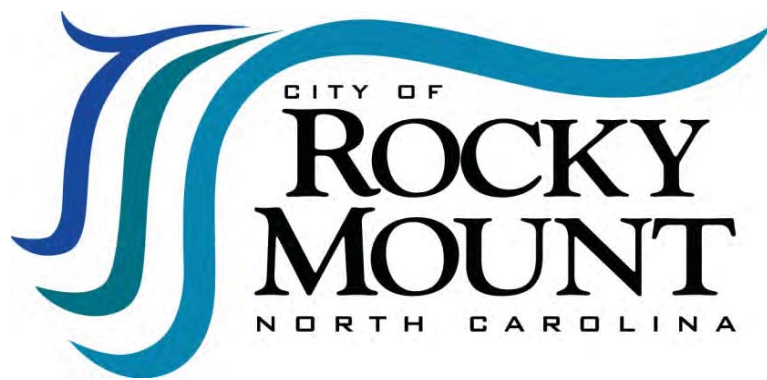
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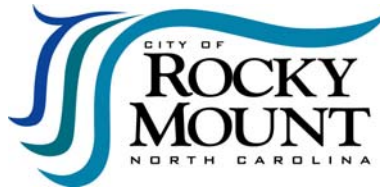
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INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement for
Excellence in Financial Reporting
- Organizational Chart
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September 22, 2017

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, 2017.

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, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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

PROFILE OF THE CITY

The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is located in eastern North Carolina in the coastal plains area. The City has a population of approximately 55,466 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 43 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 122. 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 130.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy. Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. Rocky Mount is ranked as the 16th 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. Among the area's leading products are pharmaceuticals, diesel engines, bakery products, processed tobacco, key systems, electronic controls, and automotive fuel systems. Situated where Interstate-95, the main north/south thoroughfare on the East Coast meets U.S. 64, Rocky Mount is in the heart of the Eastern Seaboard. Easy access to U.S. 264, U.S. 301, and Interstates 40 and 85 put Rocky Mount in very close proximity to an excellent overland transportation system.

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 6.4% as of June 30, 2017 compared to last year's rate of 7.5%. Rocky Mount experienced another year of modest job growth in calendar year 2016. Local businesses, including retailers, are seeing growth as well.

City staff continues working on a daily basis with our partners in the Carolinas Gateway Partnership and the Rocky Mount Chamber of Commerce to recruit new business and encourage expansion of existing firms. This past year we have seen several announcements and groundbreakings in the area. Lidl, the 4th largest grocery retailer in the world was opened in early summer on US 301, Conn's HomePlus opened at Golden East Crossing Mall after expansive improvements and renovations, and we've seen the opening of new small, locally owned businesses throughout the City. There is increasing interest in national retailers seeking to expand in our market.

Plans continue on the construction of the new CSX's \$270 million Carolina Connector (CCX) intermodal hub. This state-of-the art facility will transfer massive cargo crates between trucks and trains for transport along the Southeast corridor, while connecting North Carolina ports, businesses, and consumers to hundreds of domestic and international markets. Property acquisition, permitting, preliminary engineering and design, and roadway improvement have all been initiated. The timeline is for construction to begin in 2018 with operations commencing by the end of 2019. The NC Department of Transportation has announced that this project is one of four accelerated projects included in the updated version of the NC Department of Transportation's 10 year transportation plan. The Department will spend \$22 million for work around the terminal, \$16.8 million for highway improvements for the site, and \$10 million for railroad improvements. Construction of the facility will create up to three hundred short term jobs in engineering, technical services, and construction. Once operational, CCX terminal will provide more than 300 direct, long-term jobs with average salaries of more than \$60,000 per year. Over time, the hub is expected to create more than 1,500 hundred jobs statewide, attract new businesses in the area and create economic growth of an estimated \$125 million throughout the state. Rocky Mount's strategic location in the state, its growing industrial marker, and the company's existing rail operations and existing ties were the deciding factor in selecting the terminal's location.

This year \$8.6 million in grants for the Kingsboro Industrial Site were awarded by the Golden Leaf Foundation for infrastructure to include water, sewer, roads, and a groundwater study at the site. The Kingsboro site has the largest, shovel ready mega-site in North Carolina. The site has 1,449 acres strategically located in the heart of the Eastern seaboard and 10 minutes east of Interstate 95. The goal is to increase site competitiveness and reduce the time needed for site development to attract major projects. Work continues on construction of a more than \$190 million new facility at Pfizer, Rocky Mount's largest employer. In 2015, Pfizer announced a multi-year expansion project of \$159 million to build a

58,000 square foot injectable manufacturing facility. Subsequent projects to increase the scope of the facility and adjacent operations have increased the project total to \$190 million. While no new job creation is coming from the expansion, the new sterile injectable manufacturing facility is being added to modernize Pfizer's capabilities for sterile injectable formulation and filling processes for vials, ampules, and syringes. This addition will allow the current manufacturing space to be repurposed in the future when new opportunities arise. Mid 2019 is the targeted completion date of the project. With this commitment, Pfizer's Rocky Mount site continues to be an important site within Pfizer's global supply network.

Draka Elevator Products, a leading cable manufacturer and component distribution source has finished phase one of a \$13 million expansion of what will be a 350,000 square foot distribution center and production facility. The facility added 38,400 square feet to its existing facility this year. The company plans to continue the expansion in the next few years. The land for the distribution center expansion was granted by Nash County with assistance from the Carolinas Gateway Partnership in helping fund the new infrastructure. The company has hired an additional 70 permanent full-time employees since the beginning of 2017. Draka operates its global headquarters facility on North Church Street in Rocky Mount and a distribution center in the Battleboro community.

Cummins Rocky Mount Engine plant, which has experienced significant growth for more than 30 years, celebrated a milestone of building its four millionth engine early this spring. The plant produces mid-range engines for customers around the world that are used in trucks and buses, and other vehicles and equipment. In fact, the 7 new Tar River Transit buses that were placed into operation this year were equipped with Cummins engines. This summer, the company announced that it will partner with AEL Span, a global supply chain service company to provide warehousing operations for the plant. AEL Span will employ about 150 employees and operate more than 232,000 square feet of space to support the plant. Cummins employs nearly 1,700 people at the local plant and sells nearly \$1.9 billion in products annually.

The construction on the new \$6 million terminal facility for Cargo Transporters Inc. at the Fountain Industrial Park was completed in early 2017. The company operates in 48 states and sought a location that will serve the northeast region of the state with access to the I-95 corridor. Currently, Cargo Transporters has 86 drivers at the Rocky Mount terminal. The goal within the next 18 months is to have between 150 and 200 drivers. The local facility consists of five offices, a dispatch area for staff, a driver's lounge, orientation facilities, shop maintenance bays and parking for 125 tractor-trailer combinations. The yearly wage for a full time truck driver is approximately \$50,000. The company, a privately held, family owned business, has been involved in truck leasing, warehousing, and transportation for 50 years.

Rocky Mount is capitalizing on the sports tourism industry which according to the U.S. Travel Association is the fastest growing segment in the travel industry. Rocky Mount has already established itself as a sports tourism destination with the Rocky Mount Sports Complex hosting 92,932 visitors in 2016 with an overall economic impact of over \$10,408,000. The Rocky Mount Event Center, currently under construction will be an indoor sports destination in the heart of downtown Rocky Mount. The 175,000 square foot facility will feature eight basketball and sixteen volleyball courts, a family entertainment area, meeting and conference rooms and other offices. The facility will seat around 4,500 people. The Event Center will position the City as a destination location for our center city which would incent private investment and grow our tax base. Research shows that by the fifth year of operations, the Event Center is expected to generate 46,000 additional hotel room nights, with 300,000 visitors annually and 48 projected events. The total economic impact for the ten year period is expected to be \$264 million dollars.

The Rocky Mount Mill, purchased by Capital Broadcasting Company in 2007 continues to be developed. The company looks to take advantage of the surging craft beer industry in North Carolina and help bring

growth to Eastern North Carolina. The Brewmill will serve as an incubator for startup craft breweries, a facility for growing breweries, a school for those who want to be in the industry and a residential area for people who work on or near the Brewmill property. Part of the ongoing development of the mixed-use Rocky Mount Mills has been the transformation of old mill houses into craft breweries. In 2015, Koi Pond Brewing Company became the first craft brewer to open in a historic mill house and Tarboro Brewing Co's West Tacos and Taprooms opened this spring. A total of seven breweries will be on campus by the end of the year. The Mills has leased out five craft beer incubators, which offer full-scale production, several hundred gallons at a time, in a shared facility, for those brewers with a good product and a sound business plan. In February, Rocky Mount Mills handed over the keys to Nash Community College for the opening of its 360 Degree Brewer Facility, which features state of the art brewery, distillation and fermentation equipment in 1,000 square feet of instructional space for Nash Community's brewing, distillation and fermentation program. With the program built around entrepreneurship, students learn about small business development and marketing as well.

The Mill Village, next to the Rocky Mount Mills has seen a metamorphosis in the past year. Fifty five homes have been renovated at the Mills Village with 5 homes under construction. The one and two-bedroom homes are equipped with fenced-in back yards, spacious decks and patios outside and high ceilings and architectural details inside. Much of the housing was built in the late 1800's by local carpenters. Most people assumed that when Capital Broadcasting Co. purchased the buildings that they would be demolished. The company had different ideas and committed to the rehabilitation of every single one of them. The second phase of the residential living will be located inside the big Mill as 50 loft apartments ranging from 600 to 1500 square feet are in the process of being constructed. The one-to-three bedroom apartments will boast high ceilings, exposed brick windows and hardwood floors. In February, Envolve Vision announced it was relocating its headquarters to the Rocky Mount Mills development. 120 employees are expected to be part of the move into nearly 23,000 square feet of space by the summer of 2018. Envolve Vision administers routing and medical surgical eye care benefits, serving more than 9 million customers across 22 states and Puerto Rico.

The \$9 million Beal Street Square affordable housing development project is in the process of being completed and residents have begun to move in. The Beal Street Square covers 5 ½ acres of land and has 20 one-bedroom and 60 two-bedroom energy efficient courtyard-style apartments. The site will also include a community center and workout facility, computer center, laundry facility, property management office, and an outdoor playground. JOIN development is working in partnership with Thirdwave Housing, Workforce Homestead, Preservation Rocky Mount, and the City's community development office. The project received an allocation of housing tax credits from the N.C. Housing Finance Agency and funding from the U.S. Department of Housing and Urban Development. Across the street from the Beal Street Square, a new Dollar General Store is being constructed. The \$525,000 store will have roughly 7,500 square feet and is anticipated to be open in November 2017. The store sells name-brand and private brand health and beauty products, home cleaning supplies, housewares, seasonal items, and basic clothing. In the same area, Piggly Wiggly will be renovating its downtown location in the near future.

Nash UNC Health Care held a groundbreaking ceremony recently for a new cancer center on their campus. The 11,000 square foot center is expected to be complete in early 2018. The center is described as having all the current services, including radiation and infusion chemotherapy treatments, along with supporting navigation, nutrition and social work services, offered in a single location. The medical oncology clinic will feature nine examination rooms and one additional examination or procedure room. Nash UNC Health Care has invested more than \$80 million in the past five years with the building of a new emergency room, heart center, and the new women's center.

Agriculture equipment distributor LS Tractor USA announced in August 2017 that it will invest \$11.9 million to expand its operations in Nash County. 31 new jobs will be created when the new production

lines are put into service. The North Carolina Department of Commerce and the Economic Development Partnership of North Carolina were instrumental in supporting the company's decision to expand. A performance-based grant of \$60,000 from the One North Carolina Fund will help facilitate LS Tractor's expansion. In addition to North Carolina Commerce and the Economic Development Partnership of North Carolina, other key partners in the project include the N.C. General Assembly, the North Carolina Community College System, Nash County and the Carolinas Gateway Partnership.

A grand opening of the renovated South Rocky Mount Community Center was held on August 15, 2016. This \$2.2 million dollar project marks the first renovation of the facility since it was originally built in 1970. The much needed facelift includes renovated restrooms, a new security system and kitchen, a fully restored weight room, Wi-Fi throughout the facility, and an air-conditioned gym. Improvements will serve as the centerpiece of a concerted effort to improve the lives of residents for the multiple neighborhoods it serves. A tax credit project for the development of 80 townhomes leading into the South Rocky Mount Community Center has been approved. The Ravenwood Crossing project will be developed by the Woda Group, Inc. and include one, two, and three bedroom units with 8 of the units handicap accessible. The total cost of the project is estimated to be \$8.9 million. The project is expected to be complete by early 2018.

Long-term financial planning. The City is committed to budget and to expend available resources in a manner that will continue the improvement of the City's fiscal condition and protecting and building reserves for future operating and capital needs. One of the primary commitments of the City is the long term community redevelopment program to bring back life and energy to the downtown community. Rocky Mount's Central City-focused initiatives of the past two decades have set the groundwork for the redevelopment of downtown Rocky Mount. The Douglas Block, an area that has been the focus of extensive revitalization efforts, is the site selected for the Rocky Mount Event Center which is expected to add vibrancy to downtown Rocky Mount. The facility will be multipurpose with a specific focus on youth and amateur sports programming, including space for 16 volleyball courts, eight basketball courts, an indoor ropes course, a leadership and development center, a corporate team building environment, classrooms, and a health clinic. Other youth and amateur tournaments, dance competitions, concerts, family shows, convention and trade shows, meetings and conferences would be welcome. An estimated \$264 million in new spending over ten years, the creation of 50 new jobs and 200 construction jobs are some of the positive economic expectations. Our Downtown Development office continues to build relationships with a broadening group of active and interested investors looking to purchase and redevelop properties in our Central City. Our staff continues to work on efforts to secure US Department of Transportation TIGER grant funds to develop corridors along Atlantic Avenue, Church Street and Falls Road/Peachtree Street, as well as construction of the proposed Monk to Mill Trail. This will better connect downtown with the burgeoning Rocky Mount Mills development, as well as with our gateways of access along US Highway 64. The Downtown Building Assistance Program, which provides matching funds for business and property owners to repair, renovate, and upfit properties for active business use within the downtown area has been funded in the 2018 budget.

The City's annual operating budget balances projected revenues from taxes, fees and other sources of expenditures reflecting ongoing operations, strategic initiatives and other important investments. City Council's established goals and objectives serve as the guide in decision making, along with the City's shared values of excellent public service, excellent customer service, and innovation. Fiscal year 2018 focuses available resources on balancing the budget for existing services and projects, fully funding financing of the Rocky Mount Event Center, continued protection of the City's fiscal condition, and continued planning and implementation of strategic initiative and investments designed to improve quality of life and economic development opportunities for all City residents. The City maintains the goal to affirm Rocky Mount as the leader of the Twin County Region by promoting and implementing aggressive initiatives to encourage residential, commercial, and industrial development in and around Rocky Mount. The goal is to strengthen its position as an economic, cultural and educational center in Eastern North Carolina. The budget also provides for effectively maintaining and improving public

infrastructure, including roadways, utility systems and public facilities and enabling implementation of recent planning activities. The proposed budget provides the framework to address priorities, accommodate challenges and continue improvement of our long term financial picture.

The past year saw some modest local economic growth, along with continued improvement in activity throughout the state. Both factors, along with additional changes by the General Assembly in distribution of sales tax proceeds, contributed to another year for strong growth in revenues from intergovernmental sources, specifically sales tax. In order to address expected property tax valuation reductions and to make sure we did not expend any appropriated fund balance, staff identified and implemented \$1.5 million in mid-year budget reductions. In addition, expenses for necessary responses to citizen needs resulting from Hurricane Matthew last October were offset by spending reductions in other accounts, along with Federal and State disaster assistance reimbursements.

Nash and Edgecombe counties completed their legally-required revaluation of real properties this past year. Rocky Mount's total real property valuation declined 6.6% compared to last year. This was a significantly better result than estimates provided last year which had projected declines of 10% or more. As a result of the revaluation, the City's effective revenue neutral tax rate is calculated at \$.64 per \$100 assessed value. The tax rate was increased by an additional 2 cents per \$100 for fiscal year 2018 to cover debt service on the special obligation bonds, bringing the tax rate to \$.66 per \$100 assessed value.

The annual budget was prepared with staff recognizing the importance of aligning the budget with the established goals of the City Council. One goal includes engagement-oriented communication to our citizens and beyond. Our Public Affairs Office continues to expand its reach within Rocky Mount and beyond to promote City events, programs, and initiatives. The budget continues to provide support to advertising and other outside services managed by the Public Affairs Manager.

The 2018 budget includes provisional funding to cover the salary and benefit costs for pay for performance increases from 2.5% - 4.5% for all eligible full time employees. Our investments in the Diversity and Inclusion Program and an upcoming pay and classification study will serve to improve compensation and increase opportunities for workforce development.

Improving our capacity to better utilize technology is critical to responding to the needs and requests of our residents. We continue to work on improvements to expand our ability to process service requests and other activities on line. The City will fund continued improvements to our technology infrastructure, along with the costs of preparing the former Southern Bank Building on Franklin Street for use by our Business Office operations later this fall. There are also funds budgeted to continue the gap funding for the school system.

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 1.01%.

All of the City's investments at June 30, 2017 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2017, the City's cash resources were invested as follows:

Cash on hand	\$ 12,125	.01%
Cash in traditional bank accounts	5,910,451	4.83%
Lease escrow funds	4,288,351	3.50%
Bond escrow funds	17,186,740	14.03%

North Carolina Capital Management Trust	<u>95,102,507</u>	77.63%
Subtotal	\$122,500,174	
Rocky Mount DCF LLC	<u>20,830,192</u>	
Total	<u>\$143,330,366</u>	

Risk Management- The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through the purchase of commercial insurance for primary and/or excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control techniques are practiced by the City including employee safety programs, a drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City's insurance coverage and self-insured retentions are more fully described in note 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 on the level dollar closed method basis. The remaining amortization period at December 31, 2015 was 15 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 7.32% for employees not engaged in law enforcement and 8.00% for law enforcement officers. The State announced that the employer contribution rates for fiscal year 2018 would be 7.56% for employees not engaged in law enforcement and increase to 8.25% for law enforcement officers.

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

The City provides postemployment health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and who meet certain criteria that are more fully described in note 6 of the financial statements. Currently, 189 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2015 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, 2015 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. Additional information on the City's pension arrangements and postemployment benefits can be found in note 6 of the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the twenty-third 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, 2016. 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,

The image shows two handwritten signatures in blue ink. The signature on the left is 'Rochelle D. Small-Toney' and the signature on the right is 'Amy G. Staton'.

Rochelle D. Small-Toney
City Manager

Amy G. Staton
Finance Director



Government Finance Officers Association

**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

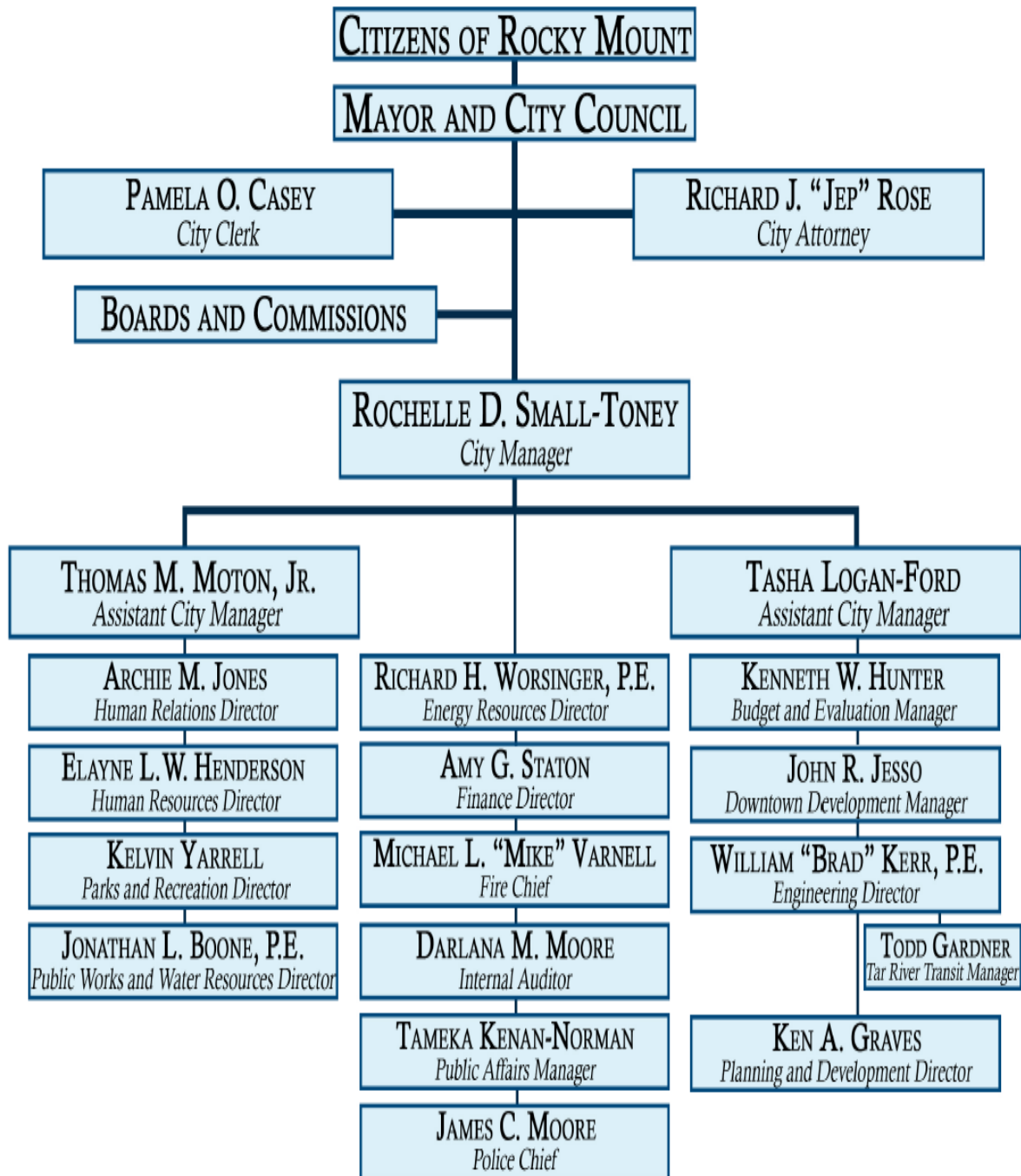
June 30, 2016

A handwritten signature in dark ink, reading "Jeffrey R. Emen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO

CITY OF ROCKY MOUNT, NORTH CAROLINA

Organizational Chart



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2017

CITY COUNCIL

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

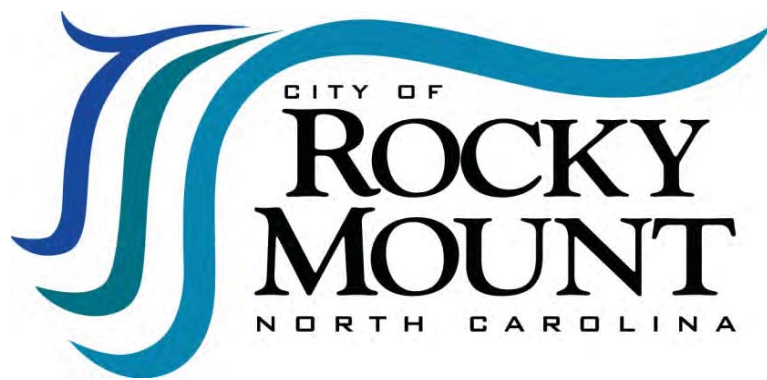
Reuben C. Blackwell, IV	Tom Rogers	Lois Watkins
Andre D. Knight	Lamont Wiggins	Chris Carroll Miller

CITY ADMINISTRATION

**Rochelle D. Small-Toney, City Manager
Tasha D. Logan-Ford, Assistant City Manager
Thomas M. Moton, Jr., 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 AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 19 to the financial statements, for fiscal year ending June 30, 2017 the City of Rocky Mount adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount, North Carolina's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other schedules, and the statistical section 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, the supplemental ad valorem tax schedules, and other schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual fund financial statements, budget and actual schedules, the supplemental ad valorem tax schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

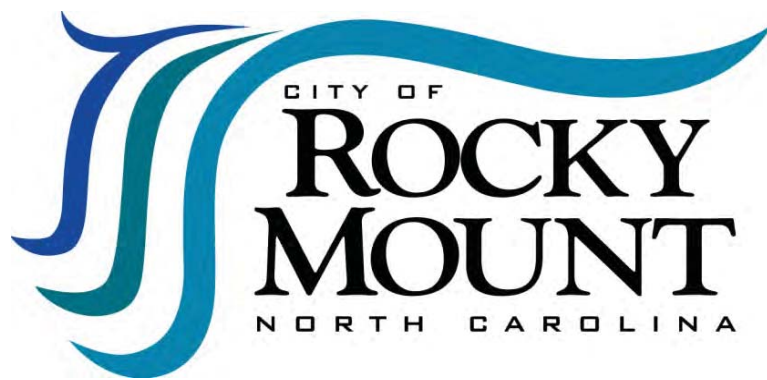
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2017, on our consideration of the City of Rocky Mount, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rocky Mount's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rocky Mount's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
September 22, 2017



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, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory Section and begins on page 1.

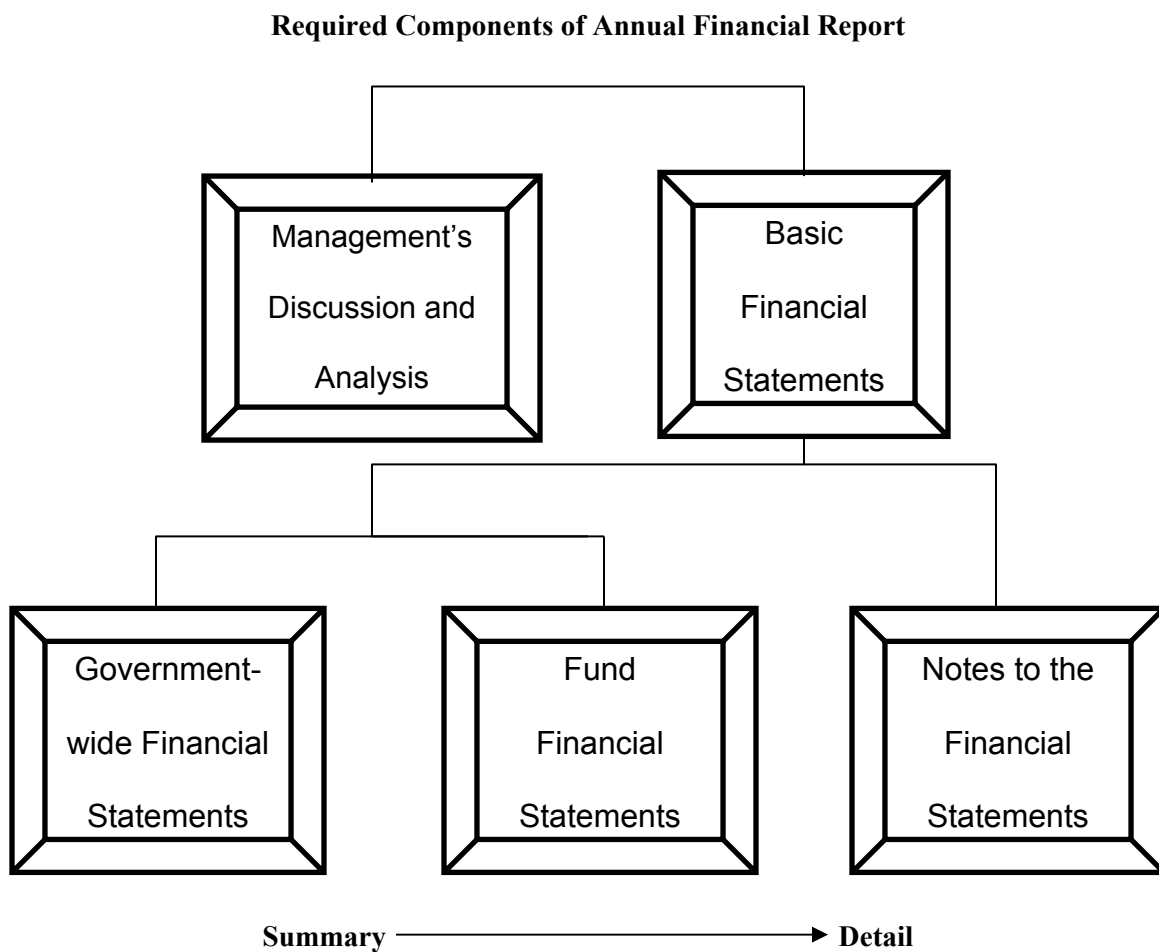
Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$330,877,625 (net position). The net position of the governmental activities is \$125,573,774 and the net position of the business-type activities is \$205,303,851.
- The government's total net position grew by 2.2% or an increase of \$7,125,699. Governmental net position increased by \$1,156,977 and business-type activities net position increased by \$10,366,402, due to normal operations. There was an additional decrease in governmental net position due to a restatement of \$4,397,680 for the mandated implementation of GASB Statement 73 for the Law Enforcement Officers' Special Separation Allowance liability.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$68,563,807, an increase of \$38,399,379 from the prior year. The amount of nonspendable and restricted fund balance has increased mainly due to commitments to the Rocky Mount Event Center project.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of \$205,303,851, an increase of \$10,366,402.
- At the end of the current fiscal year, total unassigned fund balance for the General fund was \$15,058,082 or 26% of total General fund expenditures for the fiscal year.
- During the current fiscal year, the City issued special obligation bonds to fund the construction of the Rocky Mount Event Center. The Rocky Mount Public Facilities Corporation non-profit entity is a legally separate component unit that is essential for the tax credit portion of the Rocky Mount Event Center's financing. This entity is shown in the financial statements in a blended presentation.

Overview of the Financial Statements

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

Figure 1:



Basic Financial Statements

The first two statements (pages 35 through 38) 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 39 through 53) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, emergency management, and general administration that are principally supported by taxes and intergovernmental revenues. The business-type activities are those that the City charges user fees to recover all or a significant portion of their costs. These include the electric, gas, water, sewer and stormwater services offered by the City.

The government-wide financial statements are on pages 35 through 38.

Fund Financial Statements

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

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

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

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

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

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

Notes to the Financial Statements and Other Information

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 54 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 98 of this report.

Government-Wide Financial Analysis of the City of Rocky Mount

Net Position

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

Figure 2:

City of Rocky Mount Statement of Net Position

	Governmental Activities 2017	Governmental Activities 2016	Business-Type Activities 2017	Business-Type Activities 2016	Total 2017	Total 2016
Current and other assets	\$ 85,848,978	\$ 49,134,288	\$ 88,230,458	\$ 78,146,465	\$174,079,436	\$127,280,753
Net pension asset	-	-	-	-	-	-
Capital assets	119,748,004	116,167,175	149,381,153	146,709,720	269,129,157	262,876,895
Total assets	205,596,982	165,301,463	237,611,611	224,856,185	443,208,593	390,157,648
Deferred outflows of resources	10,425,503	2,183,229	3,174,226	696,715	13,599,729	2,879,944
Long-term liabilities	67,186,658	23,877,483	19,939,522	18,325,141	87,126,180	42,202,624
Net pension liability	12,098,343	2,609,759	3,756,772	849,108	15,855,115	3,458,867
Other liabilities	9,872,708	10,130,628	11,477,273	10,853,979	21,349,981	20,984,607
Total liabilities	89,157,709	36,617,870	35,173,567	30,028,228	124,331,276	66,646,098
Deferred inflows of resources	1,291,002	2,052,345	308,419	587,223	1,599,421	2,639,568
Net position:						
Net investment in capital assets	81,540,859	99,725,082	136,435,853	134,594,908	217,976,712	234,319,990
Restricted	13,193,796	11,099,682	-	-	13,193,796	11,099,682
Unrestricted	30,839,119	17,989,713	68,867,998	60,342,541	99,707,117	78,332,254
Total net position	\$ 125,573,774	\$ 128,814,477	\$ 205,303,851	\$ 194,937,449	\$330,877,625	\$323,751,926

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$330,877,625 as of June 30, 2017. The City's net position increased by \$7,125,699 for the fiscal year ended June 30, 2017 including a restatement of a \$4,397,680 reduction for the mandated implementation for the Law Enforcement Officers' Special Separation Allowance liability. The largest portion of net position, 66%, reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position, 4% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 30% 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 position:

- There are three components of net position: net investment in capital assets, restricted, and unrestricted. There was a decrease of \$16,343,278 in the category of net position for net investment in capital assets. The decrease in net investment in capital assets represents 9% of total current year expenses. Net investment in capital assets is made up of several components: capital assets, current and long-term debt, and unexpended debt proceeds. During the current year, there were increases in capital assets and unexpended debt proceeds. These increases coupled with a higher volume of outstanding debt due to the Rocky Mount Event Center project resulted in the overall decrease in net investment in capital assets. Compared to the prior year, restricted net position increased by \$2,094,114. This increase is primarily due to increases in receivables which affects stabilization by State statute along with increased in Powell Bill net position. The unrestricted net position increased by \$21,374,863 compared to the prior year mainly as a result of net operating income after transfers in the proprietary funds for the current year with minimal increase in proprietary net investment in capital assets.
- The total increase in net position was \$7,125,699 for the year, compared to a growth of \$17,751,718 in the prior fiscal year. The change was influenced by an increase in revenues in total by \$831,873 or 0.4% compared to the prior year and an increase in expenses in total by \$7,059,912 or 4% compared to the prior year. Also included is a reduction in net position of \$4,397,680 for the mandated restatement due to GASB Statement 73 for the Law Enforcement Officers' Special Separation Allowance liability. The governmental activities had an increase in total revenues of \$418,937 and the business type activities experienced an increase in total revenues of \$412,636. Charges for service had a decrease of \$3,404,356 or 2.3%. This was related to funding for an internal service radio communications project in the prior year that did not require additional funding in the current year. Internal service fund activity is included in general governmental charges for service. There was a decrease in operating grants and contributions of \$422,933 or 6.3% over the prior year. There was an increase in capital grants and contributions of \$2,709,126 compared to the prior year which was primarily due to the purchase of new Transit busses.
- Ad valorem tax revenue increased by \$426,415 compared to the prior year. The tax rate in the current year is \$0.605, per \$100 of assessed value.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 96.79% for property excluding motor vehicles, which is comparable to the prior year. The statewide average for other municipalities with a population between 50,000 and 99,999 is 98%. The statewide collection percentage is based on 2016 statewide data and is the most recently published percentage and showed an increase of 0.25% from 2015. The City is slightly below the statewide average; however, the City continues to focus efforts to improve collections for taxes. The City is within 1.21% of the statewide average which was a slight increase from the prior year difference. The collection percentage continues to be impacted by unemployment and economic conditions.

Changes in Net Position

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

Figure 3:

City of Rocky Mount Changes in Net Position						
	Governmental Activities 2017	Governmental Activities 2016	Business- type Activities 2017	Business- type Activities 2016	Total 2017	Total 2016
Revenues:						
Program revenues:						
Charges for services	\$ 11,829,091	\$ 15,260,883	\$ 130,344,248	\$ 130,316,812	\$ 142,173,339	\$ 145,577,695
Operating grants and contributions	6,343,215	6,766,148	-	-	6,343,215	6,766,148
Capital grants and contributions	3,332,477	718,009	94,658	-	3,427,135	718,009
General revenues:						
Property taxes	24,460,822	24,034,407	-	-	24,460,822	24,034,407
Other taxes	16,058,833	15,208,805	-	-	16,058,833	15,208,805
Other	3,436,209	3,053,458	482,747	192,205	3,918,956	3,245,663
Total Revenues	65,460,647	65,041,710	130,921,653	130,509,017	196,382,300	195,550,727
Expenses:						
General government	4,246,118	5,737,117	-	-	4,246,118	5,737,117
Public safety	29,086,467	26,975,314	-	-	29,086,467	26,975,314
Parks and recreation	16,248,923	9,977,191	-	-	16,248,923	9,977,191
Public works	9,728,894	8,077,219	-	-	9,728,894	8,077,219
Engineering	886,679	932,529	-	-	886,679	932,529
Public service	6,358,027	8,562,021	-	-	6,358,027	8,562,021
Economic development	41,392	31,056	-	-	41,392	31,056
Community revitalization	1,588,747	1,884,490	-	-	1,588,747	1,884,490
Interest on long-term debt	843,423	444,951	-	-	843,423	444,951
Electric	-	-	70,787,007	69,017,466	70,787,007	69,017,466
Gas	-	-	18,422,872	20,071,951	18,422,872	20,071,951
Water	-	-	10,431,418	10,065,328	10,431,418	10,065,328
Sewer	-	-	12,860,780	12,673,511	12,860,780	12,673,511
Stormwater	-	-	3,328,174	3,348,865	3,328,174	3,348,865
Component unit	-	-	-	-	-	-
Total Expenses	69,028,670	62,621,888	115,830,251	115,177,121	184,858,921	177,799,009
Change in net position before transfers	(3,568,023)	2,419,822	15,091,402	15,331,896	11,523,379	17,751,718
Transfers	4,725,000	4,235,762	(4,725,000)	(4,235,762)	-	-
Change in Net Position	1,156,977	6,655,584	10,366,402	11,096,134	11,523,379	17,751,718
Net Position, July 1	128,814,477	122,158,893	194,937,449	183,841,315	323,751,926	306,000,208
Restatement	(4,397,680)	-	-	-	(4,397,680)	-
Net Position, July 1, as restated	124,416,797	122,158,893	194,937,449	183,841,315	319,354,246	306,000,208
Net Position, June 30	\$ 125,573,774	\$ 128,814,477	\$ 205,303,851	\$ 194,937,449	\$ 330,877,625	\$ 323,751,926

Governmental activities: Governmental activities increased the City's net position by \$1,156,977, or 10% of the total increase in net position from operations. Key elements of the current year governmental activities change in net position are as follows:

- Total revenues for governmental activities increased \$418,937 or 1% compared to the prior year. The increase in revenue is the result of decreases in charges for services of \$3,431,792 or 22% and operating grants and contributions of \$422,933 or 6% compared to last year along with an increase in capital grants and contributions of \$2,614,468 and increases in taxes and other revenues. The decrease in charges for services primarily reflects the allocation of funds to the Internal Service fund for Communications for the radio project totaling \$2,788,000 in the prior year which was not repeated in fiscal year 2017. The decrease in operating grants and contributions reflects a decrease in state and federal grant funding. General revenues increased overall by \$1,276,443, approximately 8%, mostly due to improvement in sales tax revenue.
- Total expenses for governmental activities increased \$6,406,782 or 10% compared to the prior year. There were increases in expenses for economic development, public safety, parks and recreation, and public works totaling \$10,044,896 over the prior year. The majority of this increase is due to spending in the Capital Project Development fund under the parks and recreation function for the Rocky Mount Event Center. There were decreases in general government, engineering, public service, and community revitalization of \$4,036,586 over the prior year. General government expenses decreased by \$1,490,999 due in part to unspent technology funds at year end. Public safety reflected a total increase of \$2,111,153 inclusive of increases in wages and capital purchases. Public service expenses decreased by \$2,203,994 mainly as a result of street resurfacing projects and road improvements that were conducted in the prior year at a higher frequency than in the current year. Community revitalization expenses were lower than the prior year by \$295,743 due to less entitlement grant spending. Public works had expenses in heavy motorized equipment which contributed to the overall increase of \$1,651,675 from the prior year.

Figure 4:

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

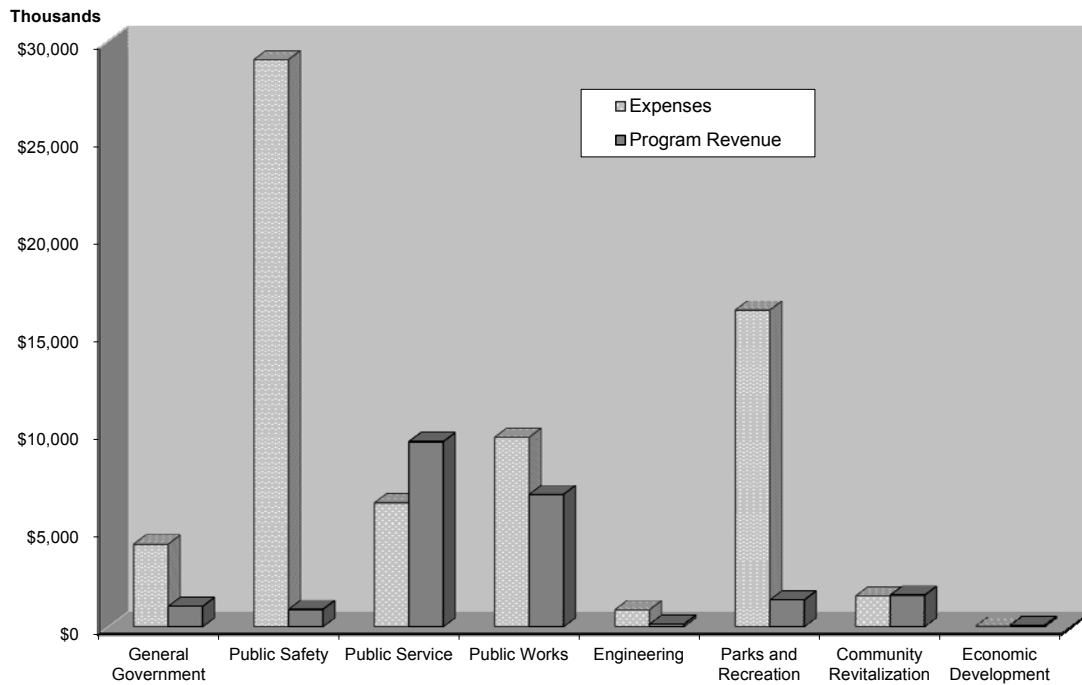
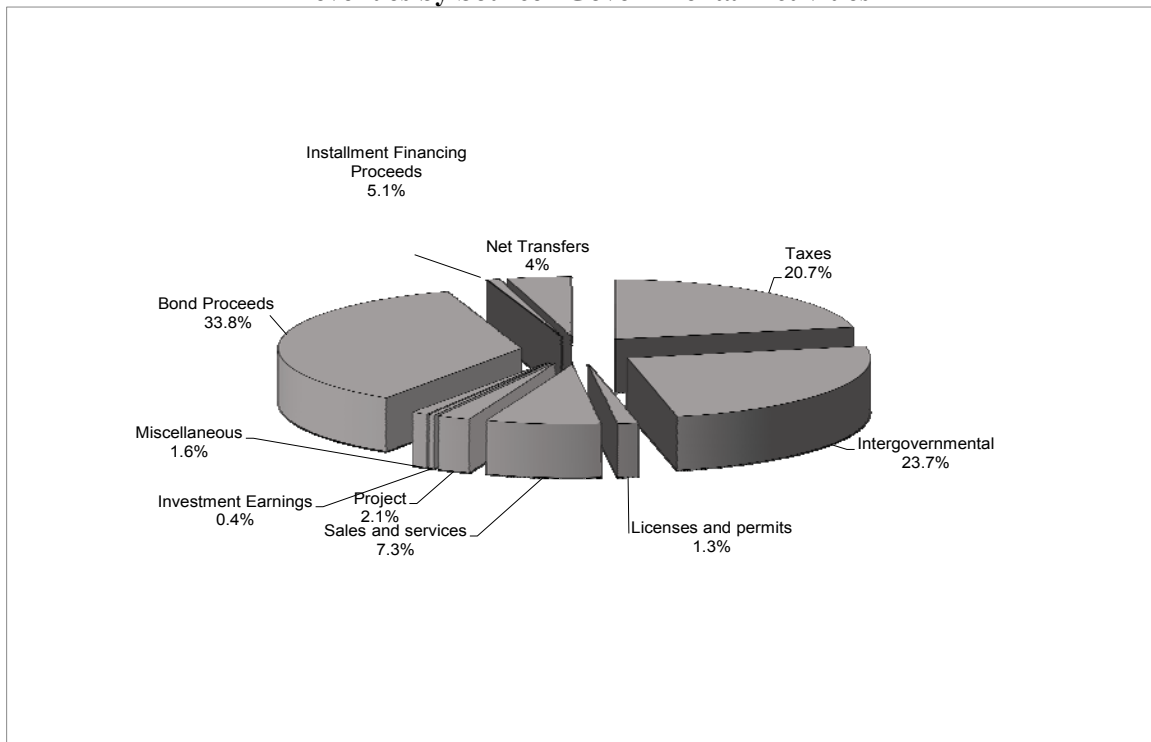


Figure 5:

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



Business-type activities: Business-type activities increased the City's net position by \$10,366,402, or 90% of the total increase in net position from operations. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities increased \$412,636 compared to the prior year. Charges for sales and services for business-type activities increased by a combined \$27,436 compared to the prior year. Capital grants and contributions increased by \$94,658 due to amounts received for Hurricane Matthew restoration.
- Total expenses for business-type activities increased \$653,130 compared to the prior year. Total Electric expenses increased by \$1,769,541 or 2.6% due to capital outlay and other inflationary costs of service. Total Gas expenses decreased \$1,649,079 or 8.2% primarily due to radio project funding in the prior year that did not occur in the current fiscal year. Total Water expenses increased by \$366,090 or 3.6% from the prior year. Total Sewer expenses increased by \$187,269 or 1.5%. Total Stormwater expenses reflected little change.
- The business-type activities transferred net funds to the governmental funds totaling \$4,725,000. This is an increase of \$489,238 compared to the prior year.
- The net change in position for all business-type activities for the current fiscal year was an increase of \$10,366,402. All business-type operations resulted in net operating income after transfers. The change in net position for Electric, Gas, Water, Sewer, and Stormwater was \$8,110,961, \$957,949, \$248,432, \$195,519, \$853,541, respectively. The change in net position for the current year compared to the change in net position for the prior year decreased \$729,732 due to operational cost increases.

Figure 6:

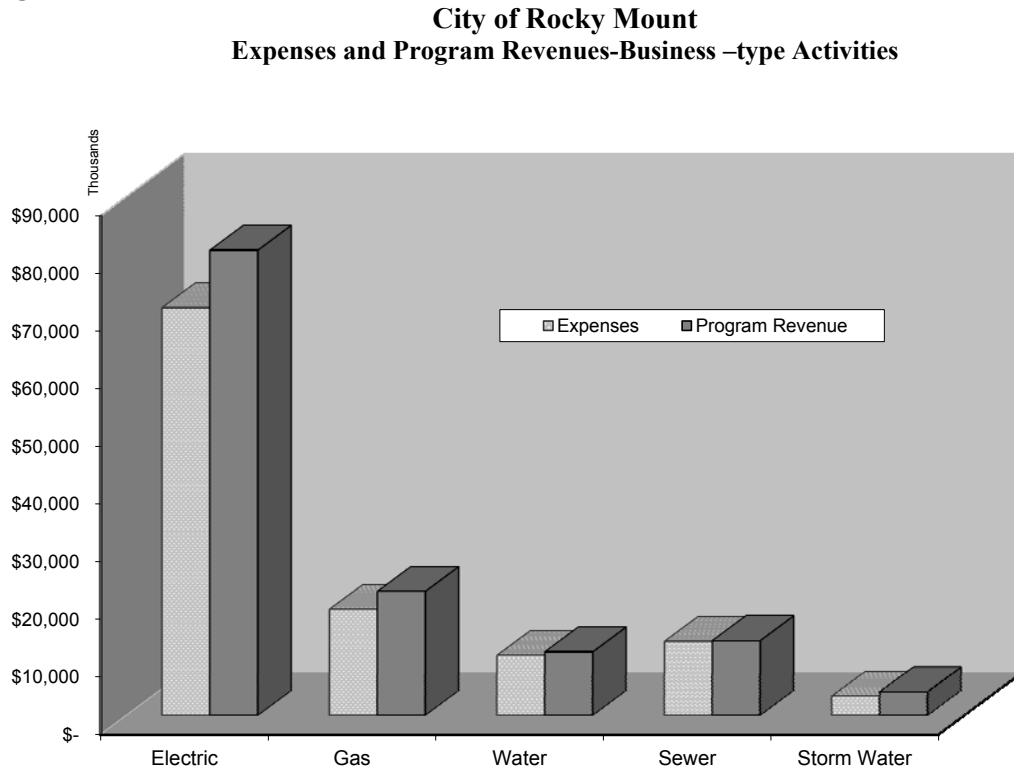
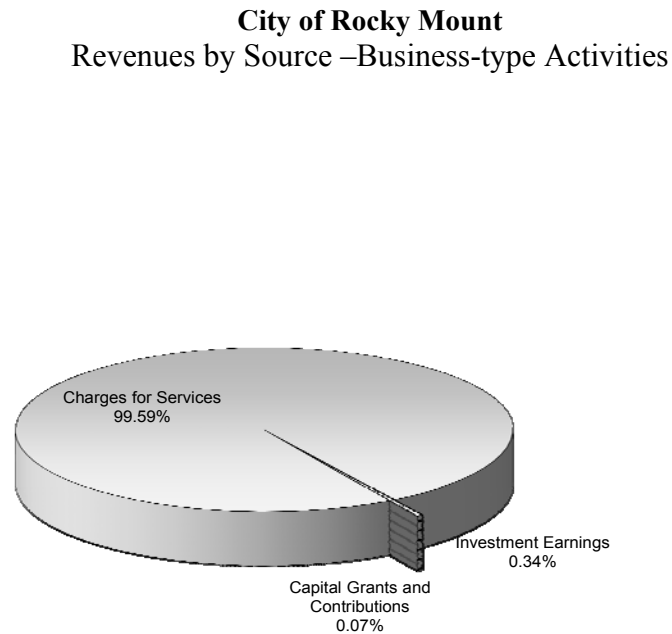


Figure 7:



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$68,563,807, an increase of \$38,399,379 in comparison with the prior year. A large part of this increase is related to the financing of the Rocky Mount Event Center project. The unassigned fund balance is available for spending at the government's discretion. Due to restrictions related to unspent financing proceeds and long term receivables, the total unassigned fund balance for the governmental funds is (\$1,752,843). 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 \$34,027,400. The current year fund balance that has been restricted is \$31,136,489. The current year fund balance that has been committed is \$1,797,420. The current year fund balance that has been assigned is \$3,355,341 and it is designated 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 \$15,058,082 while total General fund balance was \$47,252,961. 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 26% of total General fund expenditures, while total fund balance represents 82% of that same amount.

At June 30, 2017, the governmental funds of the City reported a combined fund balance of \$68,563,807. Included in this change in fund balance is an increase in fund balance in the General fund by \$19,966,649, an increase in the Capital Projects development fund of \$19,088,384 and a decrease of \$664,654 in the nonmajor governmental funds. The increases in both of these funds are related to the bond financing of the Rocky Mount Event Center. Also reflected in this year's financial statements are the transactions of the Rocky Mount Public Facilities Corporation. This entity is a major blended component unit and is essential for the tax credit financing used to supplement the special obligation bond proceeds for the Rocky Mount Event Center. Special Revenue funds increased by \$134,869 and the nonmajor Capital Project fund decreased by \$799,523. Within the Special Revenue funds, there was an increase in fund balance for Economic Development, Emergency Telephone System, and Occupancy Tax and decreases in all of the remaining funds. Levels of fund balance in Special Revenue funds and Capital Projects funds will vary as their projects transition through various project completion phases.

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

The actual operating revenues for the General fund exceeded the budget amount by \$982,586. Ad valorem tax revenues were more than budget due to valuation adjustments. Intergovernmental revenues were less than budget by \$36,753 due to increased sales tax and franchise tax distributions coupled with decreases in expected amount for State grants. Licenses and permits were less than budget and sales and service revenues were higher than budget, as was investment earnings. Miscellaneous revenues were more than budget by \$394,153 impacted mainly by increased rental revenues, demolition assessments, and expense recovery reimbursements.

The actual operating expenses for the General fund were less than the budget amount by \$23,870,663. The most significant savings were realized due to funds appropriated to projects that were unspent at fiscal year end. General government departments have expenditures less than the budget of \$2,432,694. Within the general government departments, the finance department has expenditures less than the budget of \$763,825. This is primarily due to technology expenses that were budgeted but unspent and will be carried forward to fiscal year 2018. The central services division has expenditures less than the budget of \$363,873 due to unspent facility capital items. Mayor and council has expenditures less than the budget of \$215,331 which is mainly due to the contingency budget that was not expended. Planning and development has expenditures less than the budget of \$616,947 which is mainly due to the funds budgeted for economic redevelopment, neighborhood redevelopment, and strategic initiatives approved by City Council not being fully expended by year end. There were budget savings within public safety with expenditures less than the budget by \$646,052. Of this amount, the police department has expenditures less than budget of \$500,896 for operating and capital items, and the fire department has expenditures less than budget of \$145,156. The public works department has expenditures less than the budget of \$593,958 in part due to unspent capital items and salary savings. Amounts budgeted but unspent in Parks and recreation for the Rocky Mount Event Center are designated for the Rocky Mount Event Center project. There were savings within public service of \$3,015,336 as a result of not spending allocated Powell Bill funds. Of this amount, \$690,726 was re-appropriated to fiscal year 2018 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 position at the end of the fiscal year amounted to \$35,159,741 for the Electric fund, \$12,746,383 for the Gas fund, \$9,931,041 for the Water fund, \$8,287,487 for the Sewer fund, and \$2,743,346 for the Stormwater fund. The total growth of net position was \$8,110,961, \$957,949, \$248,432, \$195,519, and \$853,541 for the Electric, Gas, Water, Sewer, and Stormwater funds, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of June 30, 2017, totals \$269,129,157 (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

- Bus/train station-video system \$53,590
- City hall/Police technology recabling \$102,422
- Environmental services-sanitation and waste disposal vehicles \$645,715
- Fire training facility improvements \$61,633
- Internal service- radio system upgrade \$1,685,723
- Internal service- telephone system upgrade \$59,070
- Parks & recreation-South Rocky Mount Community Center renovation \$655,199
- Parks & recreation-dump truck \$85,225
- Parks & recreation-Hornbeam park playground equipment \$84,950
- Parks & recreation-Imperial centre roof replacement on elevator tower \$141,675
- Police- (6) sports utility vehicles \$173,566
- Right of way-Kinston & NC 97 to US 301 \$457,930
- Rocky Mount Event Center property acquisitions \$2,258,023
- Streets-trailer mounted asphalt recycler machine \$86,047
- Streets-dump truck \$84,284
- Streets- (3) trailer mounted leaf vacuum machines \$77,467
- Streets- rubber tire loader \$117,500
- Street resurfacing \$532,780
- Transit- (7) 2017 transit buses \$2,991,821
- Transit- mobility transport van \$59,415

Proprietary Funds:

Additions

- Customer information system software upgrade \$89,250
- Electric energy services- diesel generator \$415,481
- Electric energy services- switchgear controls \$78,971
- Electric engineering-substation 6 improvements \$141,718
- Electric distribution-LED lights \$67,376
- Electric distribution-backhoe loader \$85,345
- Electric distribution-transmission pole replacement project \$84,000
- Electric distribution lines-transformers \$233,754
- Electric distribution-relays, circuit breakers \$215,941
- Electric distribution lines-overhead \$193,044
- Electric distribution lines-underground \$153,559
- Electric distribution- (2) aerial device trucks \$327,018
- Electric distribution-EZ hauler \$153,570
- Gas mains \$603,901
- Gas meters \$173,597
- Gas distribution-(2) crew trucks \$114,260
- Gas distribution-update SCADA system \$100,000
- Gas distribution lines \$97,288
- Water mains \$68,476
- Water treatment plant-water tank maintenance \$210,708
- Water treatment plant-cylinder replacement-dam \$132,954
- Water treatment plant-Tar river reservoir filter rehabilitation \$897,854

Figure 8:

City of Rocky Mount Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 9,362,728	\$ 7,002,346	\$ 3,225,511	\$ 3,221,286	\$ 12,588,239	\$ 10,223,632
Building	41,493,994	42,100,662	35,411,397	36,391,739	76,905,391	78,492,401
Improvements other than buildings	10,345,490	11,083,877	544,005	534,511	10,889,495	11,618,388
Machinery and equipment	17,683,390	13,490,610	21,501,313	20,744,089	39,184,703	34,234,699
Infrastructure	40,814,892	40,957,560	84,984,560	84,704,448	125,799,452	125,662,008
Construction in progress	47,510	1,532,120	3,714,368	1,113,647	3,761,878	2,645,767
Total Capital Assets (net of accumulated depreciation)	<u>\$ 119,748,004</u>	<u>\$ 116,167,175</u>	<u>\$ 149,381,153</u>	<u>\$ 146,709,720</u>	<u>\$ 269,129,157</u>	<u>\$ 262,876,895</u>

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

Long-term Debt. The City enters into installment purchase financings which have 3 to 15 year terms for both the governmental and business-type activities. At June 30, 2017, the City had installment financings outstanding of \$25,073,411. Under other debt for the governmental activities, the City has debt outstanding in the amount of \$1,785,000 for a HUD loan that has been used to finance the Douglas Block redevelopment, and debt obligations in the amount of \$2,091,388 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 and for other sewer system improvements in the amount of \$5,659,382. The City has issued special obligation bonds which have an outstanding balance of \$36,815,000 at June 30, 2017. There is an unamortized net premium on the bonds of \$3,294,743.

Figure 9:

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Installment financings	\$ 14,255,095	\$ 16,967,327	\$ 10,818,316	\$ 8,475,070	\$ 25,073,411	\$ 25,442,397
Other debt	3,876,388	3,039,857	-	-	3,876,388	3,039,857
Special Obligation bonds	40,109,743	-	-	-	40,109,743	-
Revolving Loans	-	-	5,659,382	6,088,810	5,659,382	6,088,810
Total	\$ 58,241,226	\$ 20,007,184	\$ 16,477,698	\$ 14,563,880	\$ 74,718,924	\$ 34,571,064

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 \$287,892,797.

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

Economic Factors and Next Year's Budgets and Rates

The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2018.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 6.4% at June 30, 2017. This is a 1.1% reduction in the unemployment rate compared to the prior year.
- Our City experienced a year of positive growth in several areas. The most notable sources of revenue growth originated from local option sales tax and from the utility sales tax implemented by the State to replace the former utilities franchise tax. Both have exceeded our projections for the current year, and they are expected to maintain this year's level, or grow slightly, in fiscal year 2018.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2018, the budget increased 3.8% compared to the prior year original budget. The City's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property tax, interest income, and permit fees. Revenue growth for the coming year is limited to ad valorem tax revenues, sales tax, and fees for services. There is a property tax rate increase budgeted in the FY 2018 and the rate will be \$.66. Fees and charges for services remain stable. Solid waste services provided by the Public Works department represent our largest fee-supported operation in the General fund. Interest revenues continue to steadily improve.

Budgeted expenditures in the governmental activities increased by 3.8%. City Council's established goals and objectives serve as the guide in the City's decision making, along with the shared values of excellent public service, excellent customer service, and innovation. The budget focuses available resources to continue the improvement of the City's fiscal condition and protecting reserves; to continue planning and implementation of strategic initiatives and investments designed to improve quality of life and economic development opportunities for all City residents; to affirm Rocky Mount as the leader of the Twin County Region and strengthen its position as an economic, cultural and educational center in Eastern North Carolina; to maintain competitive compensation and benefits to recruit and retain skilled and high-performing employees; and implementing service delivery innovations improving quality of service while reducing future costs. Continued initiatives, as part of the 2018 budget, include funding for the Twin Counties Visioning Campaign, ongoing implementation of our Diversity and Inclusion plan, a pay and classification study for recommendation of changes to our employee pay plan, improvements to technology infrastructure, housing initiatives, vehicle replacement in the police department, two replacement pumper trucks for the fire department, and facility improvements and renovations. Funding support for Tar River Transit will focus on improving and enhancing transit operations. Staff continues to work to develop corridors surrounding our downtown area and 2018 budget includes additional funding for the Downtown Building Assistance Program, which provides grants for improving central city buildings.

Employee compensation, including pay and benefits, represents 31.1% of the City's operating budget. The 2018 budget holds 21 General Fund positions vacant. The 2017 budget includes provisional funding to cover the salary and benefit costs for pay for performance increases from 2.5% - 4.5% for all eligible full time employees. The pay for performance is critical to recognize the dedication and service of our employees. The City provides a wellness program where employees are eligible for a discount on their health insurance premium if they participate and meet minimum requirements during a voluntary health screening program. The biometric screening program has expanded to include retirees, as well as requirements for discounted benefits. Capital project funding is limited; however, the priority in capital expenditures is to provide funding to adequately complete projects that are already underway or for which a commitment has been made.

The long-held commitment to a management strategy that applies fiscally conservative approaches to pro-active, community-oriented problems and opportunities has enabled city management to respond effectively to current climate and upcoming demands with minimal increases to the financial burden of our citizens.

Business-type Activities: The business-type funds' fiscal year 2018 budget decreased 4.4% from the fiscal year 2017 adopted budget. Charges for service represent the largest revenues in the business-type funds. Electric and Gas funds both have lowered budgets due to the reduction in purchased power costs. No Water fund rate or fee increases are proposed. The fiscal year 2018 budget for the Sewer fund includes an increase to wholesale sewer services, the first increase for this group of customers since 2014. No change in fees has been budgeted for Stormwater. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments.

Budgeted expenses for business-type activities decreased by 4.4%. The largest expenses are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of lines. The fiscal year 2018 budget for Electric includes continued funding for substation refurbishments along with the LED streetlight and area light replacement project. The Gas fund's budget includes heavy equipment capital funding and funds for service extensions and improvements. The City is holding 2 positions vacant in Water Resources and 2 in Stormwater. An asset management plan continues to evaluate the condition of our water and sewer infrastructures. Numerous capital projects in the coming years will focus on essential needs to repair and replace outdated and problematic equipment and distribution channels. The 2018 Water fund's budget allows for dam repairs, water mains, and continued repainting of water tanks. The Sewer fund budget includes maintenance and refurbishment of screw pumps and system rehabilitation. These projects will require substantial investments, primarily in current revenues, in order to complete in a timely and consistent manner. These adjustments are necessary in order to maintain integrity of the system and in fulfilling regulatory compliance requirements.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents/ investments	\$ 25,559,230	\$ 62,394,886	\$ 87,954,116
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,485,347	-	1,485,347
Taxes-other	7,792	-	7,792
Customers	804,097	13,197,800	14,001,897
Other governmental agencies	3,958,818	43,626	4,002,444
Internal balances	(1,313,536)	1,313,536	-
Notes receivable	16,649,800	14,653	16,664,453
Assessments	3,867,668	227,333	4,095,001
Other	7,292,212	192,034	7,484,246
Prepaid items	340,000	-	340,000
Inventories	387,800	1,689,918	2,077,718
Restricted cash and investments	24,766,769	9,156,672	33,923,441
Total current assets	83,805,997	88,230,458	172,036,455
Noncurrent Assets:			
Investment in joint venture - RMW Airport	2,042,981	-	2,042,981
Capital Assets:			
Nondepreciable	9,410,238	6,939,879	16,350,117
Depreciable, net	110,337,766	142,441,274	252,779,040
Total capital assets	119,748,004	149,381,153	269,129,157
Total noncurrent assets	121,790,985	149,381,153	271,172,138
Total assets	205,596,982	237,611,611	443,208,593
Deferred Outflows of Resources:			
Pension deferrals	10,425,503	3,174,226	13,599,729
Total deferred outflows of resources	10,425,503	3,174,226	13,599,729
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	3,741,173	6,934,700	10,675,873
Current compensated absences	2,115,540	543,822	2,659,362
Current maturities of long-term debt	4,015,995	3,998,751	8,014,746
Total current liabilities	9,872,708	11,477,273	21,349,981

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	270,370	5,624,274	5,894,644
Accrued compensated absences	1,501,112	196,263	1,697,375
Long-term debt	59,444,281	14,118,985	73,563,266
Total pension liability	5,970,895	-	5,970,895
Net pension liability	12,098,343	3,756,772	15,855,115
Total noncurrent liabilities	79,285,001	23,696,294	102,981,295
 Total liabilities	 89,157,709	 35,173,567	 124,331,276
 Deferred Inflows of Resources:			
Prepaid taxes	78,572	-	78,572
Unspent cable franchise agreement	103,501	-	103,501
Pension deferrals	1,108,929	308,419	1,417,348
Total deferred inflows of resources	1,291,002	308,419	1,599,421
 Net Position:			
Net investment in capital assets	81,540,859	136,435,853	217,976,712
Restricted for:			
Stabilization by State statute	7,995,028	-	7,995,028
Streets	4,633,962	-	4,633,962
Public safety	192,945	-	192,945
Parks and recreation	291,820	-	291,820
Economic development	80,041	-	80,041
Unrestricted	30,839,119	68,867,998	99,707,117
Total net position	\$ 125,573,774	\$ 205,303,851	\$ 330,877,625

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, 2017

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs	Expenses			
Primary Government:				
Governmental Activities:				
General government	\$ 4,246,118	\$ 864,670	\$ 189,061	\$ -
Public safety	29,086,467	375,369	527,988	-
Public works	9,728,894	6,798,518	-	-
Engineering	886,679	3,608	138,098	-
Parks and recreation	16,248,923	1,246,085	125,920	13,050
Public service	6,358,027	2,540,841	3,640,087	3,319,427
Economic development	41,392	-	94,340	-
Community revitalization	1,588,747	-	1,627,721	-
Interest on long-term debt	843,423	-	-	-
Total governmental activities	69,028,670	11,829,091	6,343,215	3,332,477
Business-Type Activities:				
Electric	70,787,007	80,722,623	-	51,032
Gas	18,422,872	21,533,673	-	-
Water	10,431,418	11,050,295	-	-
Sewer	12,860,780	12,950,113	-	43,626
Storm water management	3,328,174	4,087,544	-	-
Total business-type activities	115,830,251	130,344,248	-	94,658
Total primary government	184,858,921	142,173,339	6,343,215	3,427,135

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Primary Government:			
Governmental Activities:			
General government	\$ (3,192,387)	\$ -	\$ (3,192,387)
Public safety	(28,183,110)	-	(28,183,110)
Public works	(2,930,376)	-	(2,930,376)
Engineering	(744,973)	-	(744,973)
Parks and recreation	(14,863,868)	-	(14,863,868)
Public service	3,142,328	-	3,142,328
Economic development	52,948	-	52,948
Community revitalization	38,974	-	38,974
Interest on long-term debt	(843,423)	-	(843,423)
Total governmental activities	(47,523,887)	-	(47,523,887)
Business-Type Activities:			
Electric	-	9,986,648	9,986,648
Gas	-	3,110,801	3,110,801
Water	-	618,877	618,877
Sewer	-	132,959	132,959
Storm water management	-	759,370	759,370
Total business-type activities	-	14,608,655	14,608,655
Total primary government	(47,523,887)	14,608,655	(32,915,232)
General revenues:			
Taxes:			
Ad valorem taxes	24,460,822	-	24,460,822
Local option taxes	11,355,472	-	11,355,472
Franchise taxes	4,088,160	-	4,088,160
Telecommunication taxes	615,201	-	615,201
Miscellaneous	2,996,049	-	2,996,049
Investment earnings	440,160	482,747	922,907
Total general revenues	43,955,864	482,747	44,438,611
Transfers	4,725,000	(4,725,000)	-
Total general revenues and transfers	48,680,864	(4,242,253)	44,438,611
Change in net position	1,156,977	10,366,402	11,523,379
Net Position:			
Beginning of year - July 1	128,814,477	194,937,449	323,751,926
Restatement	(4,397,680)	-	(4,397,680)
Beginning of year, as restated	124,416,797	194,937,449	319,354,246
End of year - June 30	\$ 125,573,774	\$ 205,303,851	\$ 330,877,625

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds			Nonmajor	Total
	General Fund	General Capital Development Projects	Rocky Mount Public Facilities Corporation	Governmental Funds	Governmental Funds
Assets:					
Cash and cash equivalents/investments	\$ 21,791,055	\$ 2,183,895	\$ -	\$ 1,584,280	\$ 25,559,230
Receivables, net of allowance for uncollectible accounts:					
Ad valorem taxes	1,473,514	-	-	11,833	1,485,347
Other taxes	7,792	-	-	-	7,792
Customers	804,097	-	-	-	804,097
Other governmental agencies	3,440,157	-	-	518,661	3,958,818
Due from other funds	16,698,711	-	-	-	16,698,711
Assessments	3,867,668	-	-	-	3,867,668
Other	6,210,484	659,094	-	405,250	7,274,828
Prepaid items	-	-	-	340,000	340,000
Inventories	387,800	-	-	-	387,800
Notes receivable	-	-	16,649,800	-	16,649,800
Restricted cash and investments	5,659,785	17,186,740	9,000	500	22,856,025
Total assets	<u>\$ 60,341,063</u>	<u>\$ 20,029,729</u>	<u>\$ 16,658,800</u>	<u>\$ 2,860,524</u>	<u>\$ 99,890,116</u>
Liabilities, Deferred Inflows, and Fund Balances:					
Liabilities:					
Accounts payable and accrued expenditures	\$ 2,695,218	\$ 557,575	\$ -	\$ 156,393	\$ 3,409,186
Due to other funds	500,341	-	16,649,800	862,106	18,012,247
Liabilities to be paid from restricted assets	269,870	-	-	500	270,370
Total liabilities	<u>3,465,429</u>	<u>557,575</u>	<u>16,649,800</u>	<u>1,018,999</u>	<u>21,691,803</u>
Deferred Inflows of Resources:					
Assessments receivable	3,867,668	-	-	-	3,867,668
Taxes receivable	1,473,514	-	-	11,833	1,485,347
Miscellaneous receivables	4,099,418	-	-	-	4,099,418
Prepaid taxes	78,572	-	-	-	78,572
Unspent cable franchise agreement	103,501	-	-	-	103,501
Total deferred inflows of resources	<u>9,622,673</u>	<u>-</u>	<u>-</u>	<u>11,833</u>	<u>9,634,506</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds			Nonmajor	Total
	General	General Capital	Rocky Mount	Governmental	Governmental
	Fund	Development	Public Facilities	Funds	Funds
		Projects	Corporation		
Fund Balances:					
Nonspendable:					
Inventories	387,800	-	-	-	387,800
Long-term receivable	16,649,800	-	16,649,800	-	33,299,600
Prepaid items	-	-	-	340,000	340,000
Restricted:					
Stabilization by State statute	6,412,023	659,094	-	923,911	7,995,028
Streets	4,633,962	-	-	-	4,633,962
Future capital projects	755,953	17,186,740	-	-	17,942,693
Economic development	-	-	-	80,041	80,041
Public safety	-	-	-	192,945	192,945
Parks and recreation	-	-	-	291,820	291,820
Committed:					
Public service	-	-	-	171,100	171,100
Future capital projects	-	1,626,320	-	-	1,626,320
Assigned:					
Subsequent year's expenditures	3,355,341	-	-	-	3,355,341
Unassigned:					
General fund	15,058,082	-	-	-	15,058,082
Public safety	-	-	-	(30,575)	(30,575)
Future capital projects	-	-	(16,640,800)	(108,275)	(16,749,075)
Community revitalization	-	-	-	(31,275)	(31,275)
Total fund balances	<u>47,252,961</u>	<u>19,472,154</u>	<u>9,000</u>	<u>1,829,692</u>	<u>68,563,807</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,341,063</u>	<u>\$ 20,029,729</u>	<u>\$ 16,658,800</u>	<u>\$ 2,860,524</u>	<u>\$ 99,890,116</u>

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

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

Ending fund balance-governmental funds	\$ 68,563,807
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	119,748,004
Investment in joint venture is not financial resources and, therefore is not reported in the funds.	2,042,981
Deferred outflows of resources related to pensions are not reported in the funds	10,425,503
Liabilities for earned revenues considered deferred inflows of resources in fund statements	9,452,433
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 position.	628,988
Assets and liabilities of the communications fund used by management to account for certain telephone and radio costs are included in the governmental activities in the statement of net position	1,073,222
Some liabilities are not due and payable in the current period and therefore are not reported in the funds	
Long-term debt	(60,165,533)
Unamortized bond premium/discount	(3,294,743)
Compensated absences	(3,616,652)
Net pension liability	(12,098,343)
Total pension liability	(5,970,895)
Claims and judgments	(106,069)
Pension deferrals	(1,108,929)
Net position of governmental activities	<u>\$ 125,573,774</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, 2017

	Major Funds			Nonmajor	Total
	General Fund	General Capital Development Projects	Rocky Mount Public Facilities Corporation	Governmental Funds	Governmental Funds
Revenues:					
Taxes	\$ 24,494,306	\$ -	\$ -	\$ 66,467	\$ 24,560,773
Intergovernmental	20,867,338	-	-	7,284,824	28,152,162
Licenses and permits	1,524,414	-	-	-	1,524,414
Sales and service	8,607,485	-	-	-	8,607,485
Project	-	-	-	2,491,335	2,491,335
Investment earnings	286,709	143,954	-	9,498	440,161
Contributions	-	-	9,000	-	9,000
Miscellaneous	1,116,407	4,050	21,637	61,233	1,203,327
Total revenues	<u>56,896,659</u>	<u>148,004</u>	<u>30,637</u>	<u>9,913,357</u>	<u>66,988,657</u>
Expenditures:					
Current:					
General government	5,211,280	-	-	-	5,211,280
Public safety	27,668,673	-	-	249,757	27,918,430
Public works	9,533,773	-	-	-	9,533,773
Engineering	867,699	-	-	-	867,699
Parks and recreation	8,631,873	6,253,577	-	1,021,829	15,907,279
Public service	1,276,205	-	-	7,622,461	8,898,666
Community revitalization	-	-	-	1,588,747	1,588,747
Economic development	-	-	-	41,392	41,392
Debt service:					
Principal	3,568,065	-	-	72,500	3,640,565
Interest	784,548	-	21,637	34,749	840,934
Total expenditures	<u>57,542,116</u>	<u>6,253,577</u>	<u>21,637</u>	<u>10,631,435</u>	<u>74,448,765</u>
Revenues over (under) expenditures	<u>(645,457)</u>	<u>(6,105,573)</u>	<u>9,000</u>	<u>(718,078)</u>	<u>(7,460,108)</u>
Other Financing Sources (Uses):					
Transfers to other funds	(2,826,650)	(16,649,800)	-	(605,000)	(20,081,450)
Transfers from other funds	22,596,756	1,551,270	-	658,424	24,806,450
Bond premium/discount	-	3,477,487	-	-	3,477,487
Debt financing issued	-	36,815,000	-	-	36,815,000
Installment purchase financing issued	842,000	-	-	-	842,000
Total other financing sources (uses)	<u>20,612,106</u>	<u>25,193,957</u>	<u>-</u>	<u>53,424</u>	<u>45,859,487</u>
Net change in fund balances	19,966,649	19,088,384	9,000	(664,654)	38,399,379
Fund balance:					
Beginning of year, July 1	27,286,312	383,770	-	2,494,346	30,164,428
End of year, June 30	<u>\$ 47,252,961</u>	<u>\$ 19,472,154</u>	<u>\$ 9,000</u>	<u>\$ 1,829,692</u>	<u>\$ 68,563,807</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, 2017

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)	\$ 38,399,379
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.	
Capital outlay	11,387,714
Depreciation	(6,532,149)
Basis of disposed/transferred capital assets	(1,274,736)
Investment in joint venture	(12,770)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,222,302
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	203,201
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	520,559
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.	(1,084,045)
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 position. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Other post employment benefit net obligation	(275,641)
Pension expense - LGERS	(10,824,922)
Pension expense - LEOSSA	(438,045)
Debt issuance	(37,657,000)
Unamortized bond premium/discount	(3,294,743)
Debt retirement	3,799,232
A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	(407,242)
A portion of the revenue and expenditures reported in the communications fund has been allocated to governmental activities	(1,574,117)
Changes in net position of governmental activities	\$ 1,156,977

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, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive/(Negative)
Revenues:				
Taxes	\$ 24,095,000	\$ 24,095,000	\$ 24,494,306	\$ 399,306
Intergovernmental	20,605,420	20,904,091	20,867,338	(36,753)
Licenses and permits	1,745,890	1,745,890	1,524,414	(221,476)
Sales and service	8,375,450	8,378,838	8,607,485	228,647
Investment earnings	68,000	68,000	286,709	218,709
Miscellaneous	618,400	722,254	1,116,407	394,153
Total revenues	55,508,160	55,914,073	56,896,659	982,586
Expenditures:				
Current:				
General Government				
Mayor and council	425,770	387,470	172,139	215,331
City clerk	135,300	136,640	135,347	1,293
Community services	353,780	484,880	484,780	100
City manager	476,180	575,860	544,735	31,125
Public affairs	146,250	197,550	165,133	32,417
Downtown development	142,720	290,970	40,797	250,173
Finance	730,030	1,038,168	274,343	763,825
Central services	976,660	985,216	621,343	363,873
Planning and development	2,846,460	2,429,640	1,812,693	616,947
Human resources	1,004,650	639,660	486,602	153,058
Human relations	351,250	477,920	473,368	4,552
Total general government	7,589,050	7,643,974	5,211,280	2,432,694
Public Safety:				
Police	16,911,110	16,599,649	16,098,753	500,896
Fire	11,345,400	11,715,076	11,569,920	145,156
Total public safety	28,256,510	28,314,725	27,668,673	646,052
Public Works:				
Administration	168,000	309,030	193,884	115,146
Street and ROW maintenance	2,173,300	2,223,926	2,181,425	42,501
Housing code enforcement	1,006,410	916,336	870,513	45,823
Environmental service	6,641,300	6,597,400	6,254,232	343,168
Fleet maintenance	34,960	81,039	33,719	47,320
Total public works	10,023,970	10,127,731	9,533,773	593,958
Engineering:				
Administration	523,080	417,900	413,500	4,400
Traffic	543,480	491,784	454,199	37,585
Total engineering	1,066,560	909,684	867,699	41,985

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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive/(Negative)
Parks and Recreation:				
Administration	589,940	825,311	603,205	222,106
Athletics	603,630	577,530	566,455	11,075
Cultural arts	608,480	546,387	538,757	7,630
Amusements and special events	372,170	347,678	333,852	13,826
Museum	496,900	488,271	481,219	7,052
Parks maintenance	2,259,150	1,948,329	1,929,699	18,630
Cemetery operations	485,420	464,750	434,555	30,195
Outdoor programs	208,880	103,329	101,013	2,316
Neighborhood programs	994,570	1,168,800	1,152,965	15,835
Senior programs	560,130	529,298	510,599	18,699
Sports complex	719,480	966,349	935,425	30,924
Imperial Centre	958,060	1,044,537	1,043,951	586
Downtown Community facility	-	16,649,980	178	16,649,802
Total parks and recreation	8,856,810	25,660,549	8,631,873	17,028,676
Public service	3,309,000	4,291,541	1,276,205	3,015,336
Debt service:				
Principal	3,218,690	3,679,575	3,568,065	111,510
Interest	785,000	785,000	784,548	452
Total debt service	4,003,690	4,464,575	4,352,613	111,962
Total expenditures	63,105,590	81,412,779	57,542,116	23,870,663
Revenues over (under) expenditures	(7,597,430)	(25,498,706)	(645,457)	24,853,249
Other Financing Sources (Uses):				
Transfers to other funds	(1,521,070)	(3,469,533)	(2,826,650)	642,883
Transfers from other funds	5,730,000	22,729,800	22,596,756	(133,044)
Installment purchase financing used	1,818,500	1,818,500	842,000	(976,500)
Total other financing sources (uses)	6,027,430	21,078,767	20,612,106	(466,661)
Fund balance appropriated	1,570,000	4,419,939	-	(4,419,939)
Net change in fund balance	\$ -	\$ -	19,966,649	\$ 19,966,649
Fund Balance:				
Beginning of year, July 1			27,286,312	
End of year, June 30			\$ 47,252,961	

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Business-Type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 30,332,528	\$ 12,316,999	\$ 9,702,118	\$ 7,222,926
Restricted cash and investments	6,028,400	1,465,616	677,238	364,030
Due from other funds	981,286	332,250	-	-
Receivables - net:				
Assessments	-	-	99,841	127,492
Customers	9,048,372	966,956	1,184,017	1,513,133
Other governmental agencies	-	-	-	43,626
Notes receivable	-	-	14,653	-
Other	112,158	18,980	31,251	29,645
Prepaid items				
Inventories	1,509,291	75,106	97,359	8,162
Total current assets	48,012,035	15,175,907	11,806,477	9,309,014
Noncurrent Assets:				
Capital Assets:				
Capital assets, nondepreciable	3,229,283	191,337	1,329,357	1,447,547
Capital assets, depreciable, net of accumulated depreciation and amortization	39,779,163	18,678,815	29,406,875	50,538,796
Total capital assets (net of accumulated depreciation)	43,008,446	18,870,152	30,736,232	51,986,343
Total noncurrent assets:	43,008,446	18,870,152	30,736,232	51,986,343
Total assets	\$ 91,020,481	\$ 34,046,059	\$ 42,542,709	\$ 61,295,357
Deferred Outflows of Resources				
Pension deferrals	1,049,438	323,901	816,229	557,109
Total deferred outflows of resources	1,049,438	323,901	816,229	557,109
Liabilities and Net Position:				
Current Liabilities:				
Accounts payable and accrued expenditures	\$ 5,691,332	\$ 621,858	\$ 365,964	\$ 155,581
Current accrued compensated absences	234,022	41,321	113,666	86,170
Current maturities of long-term debt	2,167,905	37,953	343,561	1,130,010
Total current liabilities	8,093,259	701,132	823,191	1,371,761
Noncurrent Liabilities:				
Liabilities to be paid from restricted assets	3,479,707	1,350,116	603,033	6,530
Accrued compensated absences	70,606	35,193	38,280	18,905
Net pension liability	1,242,035	383,344	966,027	659,352
Noncurrent portion of long-term debt	4,953,958	249,033	1,428,371	6,811,840
Total noncurrent liabilities	9,746,306	2,017,686	3,035,711	7,496,627
Total liabilities	17,839,565	2,718,818	3,858,902	8,868,388
Deferred Inflows of Resources				
Pension deferrals	101,967	31,471	79,308	54,131
Total deferred inflows of resources	101,967	31,471	79,308	54,131
Net Position:				
Net investment in capital assets	38,968,646	18,873,288	29,489,687	44,642,460
Unrestricted	35,159,741	12,746,383	9,931,041	8,287,487
Total net position	\$ 74,128,387	\$ 31,619,671	\$ 39,420,728	\$ 52,929,947

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit G

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

STATEMENT OF NET POSITION		GOVERNMENTAL ACTIVITIES	
PROPRIETARY FUNDS		GOVERNMENTAL ACTIVITIES	
JUNE 30, 2017		GOVERNMENTAL ACTIVITIES	
	Other Nonmajor Fund Storm Water Management	Total Business-Type Activities Enterprise	Internal Service Funds
Assets:			
Current Assets:			
Cash and cash equivalents/investments	\$ 2,820,315	\$ 62,394,886	\$
Restricted cash and investments	621,388	9,156,672	1,910,744
Due from other funds	-	1,313,536	-
Receivables - net:			
Assessments	-	227,333	-
Customers	485,322	13,197,800	-
Other governmental agencies	-	43,626	-
Notes receivable	-	14,653	-
Other	-	192,034	17,384
Inventories	-	1,689,918	-
Total current assets	3,927,025	88,230,458	1,928,128
Noncurrent Assets:			
Capital Assets:			
Capital assets, nondepreciable	742,355	6,939,879	-
Capital assets, depreciable, net of accumulated depreciation and amortization	4,037,625	142,441,274	2,928,927
Total capital assets (net of accumulated depreciation)	4,779,980	149,381,153	2,928,927
Total noncurrent assets:	4,779,980	149,381,153	2,928,927
Total assets	\$ 8,707,005	\$ 237,611,611	\$ 4,857,055
Deferred Outflows of Resources			
Contributions to pension plan	427,549	3,174,226	-
Total deferred outflows of resources	427,549	3,174,226	-
Liabilities and Net Position:			
Current Liabilities:			
Accounts payable and accrued expenditures	\$ 99,965	\$ 6,934,700	\$ 225,918
Current accrued compensated absences	68,643	543,822	8,223
Current maturities of long-term debt	319,322	3,998,751	145,444
Total current liabilities	487,930	11,477,273	379,585
Noncurrent Liabilities:			
Liabilities to be paid from restricted assets	184,888	5,624,274	-
Accrued compensated absences	33,279	196,263	2,408
Net pension liability	506,014	3,756,772	-
Noncurrent portion of long-term debt	675,783	14,118,985	-
Total noncurrent liabilities	1,399,964	23,696,294	2,408
Total liabilities	1,887,894	35,173,567	381,993
Deferred Inflows of Resources			
Pension deferrals	41,542	308,419	-
Total deferred inflows of resources	41,542	308,419	-
Net Position:			
Net investment in capital assets	4,461,772	136,435,853	2,783,483
Unrestricted	2,743,346	68,867,998	1,691,579
Total net position	\$ 7,205,118	\$ 205,303,851	\$ 4,475,062

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities			
	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 78,883,736	\$ 21,390,421	\$ 10,673,585	\$ 12,552,634
Licenses and permits	-	-	30,050	60,865
Other operating revenues	1,077,130	143,252	318,423	334,496
Total operating revenues	<u>79,960,866</u>	<u>21,533,673</u>	<u>11,022,058</u>	<u>12,947,995</u>
Operating Expenses:				
Distribution systems	65,814,191	17,706,695	-	-
Treatment plants	-	-	6,127,882	7,122,604
Engineering	1,554,301	-	-	-
Support services	-	-	2,960,991	3,661,799
Energy services	1,374,630	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Communications	-	-	-	-
Depreciation and amortization	1,814,568	625,181	1,218,123	1,830,964
Total operating expenses	<u>70,557,690</u>	<u>18,331,876</u>	<u>10,306,996</u>	<u>12,615,367</u>
Operating income (loss)	<u>9,403,176</u>	<u>3,201,797</u>	<u>715,062</u>	<u>332,628</u>
Nonoperating Revenues (Expenses):				
Other	761,757	-	28,237	2,118
Investment earnings	234,313	92,148	74,555	62,560
Gain (loss) on disposal of capital assets	(64,460)	-	-	-
Interest expense	(57,620)	(1,632)	(35,058)	(173,922)
Appropriation to school system	(107,237)	(89,364)	(89,364)	(71,491)
Total nonoperating revenues (expenses)	<u>766,753</u>	<u>1,152</u>	<u>(21,630)</u>	<u>(180,735)</u>
Income (loss) before capital contributions and transfers	<u>10,169,929</u>	<u>3,202,949</u>	<u>693,432</u>	<u>151,893</u>
Capital contributions	51,032	-	-	43,626
Transfers from other funds	-	-	-	-
Transfers to other funds	(2,110,000)	(2,245,000)	(445,000)	-
Total capital contributions and transfers	<u>(2,058,968)</u>	<u>(2,245,000)</u>	<u>(445,000)</u>	<u>43,626</u>
Change in net position	8,110,961	957,949	248,432	195,519
Net Position:				
Beginning of year - July 1	66,017,426	30,661,722	39,172,296	52,734,428
End of year - June 30	<u>\$ 74,128,387</u>	<u>\$ 31,619,671</u>	<u>\$ 39,420,728</u>	<u>\$ 52,929,947</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit H

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

FOR THE YEAR ENDED JUNE 30, 2017			Governmental Activities
	Other Nonmajor Fund Storm Water Management	Total Business-Type Activities Enterprise	Internal Service Funds
Operating Revenues:			
Charges for sales and services	\$ 4,031,624	\$ 127,532,000	\$ 9,856,729
Licenses and permits	-	90,915	-
Other operating revenues	55,920	1,929,221	-
Total operating revenues	4,087,544	129,552,136	9,856,729
Operating Expenses:			
Distribution systems	-	83,520,886	-
Treatment plants	-	13,250,486	-
Engineering	-	1,554,301	-
Support services	782,242	7,405,032	-
Energy services	-	1,374,630	-
Storm water operations	2,163,710	2,163,710	-
Insurance claims	-	-	7,071,574
Cost of service and administration	-	-	2,085,888
Communications	-	-	733,917
Depreciation and amortization	369,160	5,857,996	139,530
Total operating expenses	3,315,112	115,127,041	10,030,909
Operating income (loss)	772,432	14,425,095	(174,180)
Nonoperating Revenues (Expenses):			
Other	-	792,112	-
Investment earnings	19,171	482,747	51
Gain (loss) on disposal of capital assets	-	(64,460)	-
Interest expense	(13,062)	(281,294)	(2,489)
Appropriation to school system	-	(357,456)	-
Total nonoperating revenues (expenses)	6,109	571,649	(2,438)
Income (loss) before capital contributions and transfers	778,541	14,996,744	(176,618)
Capital contributions	-	94,658	-
Transfers from other funds	75,000	75,000	-
Transfers to other funds	-	(4,800,000)	-
Total capital contributions and transfers	75,000	(4,630,342)	-
Change in net position	853,541	10,366,402	(176,618)
Net Position:			
Beginning of year - July 1, restated	6,351,577	194,937,449	4,651,680
End of year - June 30	\$ 7,205,118	\$ 205,303,851	\$ 4,475,062

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 79,324,019	\$ 21,594,396	\$ 10,983,258	\$ 12,807,759
Payments to suppliers for goods and services	(63,146,898)	(15,970,697)	(5,558,200)	(8,245,203)
Payments to or on behalf of employees	(5,685,153)	(1,595,687)	(3,259,961)	(2,459,217)
Net cash provided (used) by operating activities	<u>10,491,968</u>	<u>4,028,012</u>	<u>2,165,097</u>	<u>2,103,339</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(2,110,000)	(2,245,000)	(445,000)	-
Transfers from other funds	-	-	-	-
Appropriation to school system	(107,237)	(89,364)	(89,364)	(71,491)
Net cash provided (used) by noncapital financing activities	<u>(2,217,237)</u>	<u>(2,334,364)</u>	<u>(534,364)</u>	<u>(71,491)</u>
Cash Flows From Capital and Related Financing Activities:				
Debt issued	4,549,500	115,500	-	357,500
Acquisition and construction of capital assets	(5,269,852)	(1,116,675)	(1,438,797)	(693,472)
Interest paid	(57,620)	(1,632)	(35,058)	(173,922)
Insurance recovery	761,757	-	28,236	-
Proceeds from grants and subsidies and contributions	51,032	-	-	43,626
Principal payments on long-term debt	(1,464,113)	(241,797)	(434,887)	(1,034,162)
Net cash provided (used) by capital and related financing activities	<u>(1,429,296)</u>	<u>(1,244,604)</u>	<u>(1,880,506)</u>	<u>(1,500,430)</u>
Cash Flows From Investing Activities:				
Proceeds from sale of warehouse inventory	-	-	-	2,118
Investment earnings	234,313	92,148	74,555	62,560
Net cash provided (used) by investing activities	<u>234,313</u>	<u>92,148</u>	<u>74,555</u>	<u>64,678</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>7,079,748</u>	<u>541,192</u>	<u>(175,218)</u>	<u>596,096</u>
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	<u>29,281,180</u>	<u>13,241,423</u>	<u>10,554,574</u>	<u>6,990,860</u>
End of year, June 30	<u>\$ 36,360,928</u>	<u>\$ 13,782,615</u>	<u>\$ 10,379,356</u>	<u>\$ 7,586,956</u>
Cash and cash equivalents/investments	\$ 30,332,528	\$ 12,316,999	\$ 9,702,118	\$ 7,222,926
Restricted cash and investments	<u>6,028,400</u>	<u>1,465,616</u>	<u>677,238</u>	<u>364,030</u>
	<u>\$ 36,360,928</u>	<u>\$ 13,782,615</u>	<u>\$ 10,379,356</u>	<u>\$ 7,586,956</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit I
Page 1 of 2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities	
	Other Nonmajor Fund	Internal Service Funds
	Storm Water Management	Total
Cash Flows From Operating Activities:		
Receipts from customers	\$ 4,066,574	\$ 128,776,006
Payments to suppliers for goods and services	(941,002)	(93,862,000)
Payments to or on behalf of employees	(2,031,484)	(15,031,502)
Net cash provided (used) by operating activities	<u>1,094,088</u>	<u>19,882,504</u>
Cash Flows From Noncapital Financing Activities:		
Transfers to other funds	-	(4,800,000)
Transfers from other funds	75,000	75,000
Appropriation to school system	-	(357,456)
Net cash provided (used) by noncapital financing activities	<u>75,000</u>	<u>(5,082,456)</u>
Cash Flows From Capital and Related Financing Activities:		
Debt issued	436,500	5,459,000
Acquisition and construction of capital assets	(75,094)	(8,593,890)
Interest paid	(13,062)	(281,294)
Insurance recovery	-	789,993
Proceeds from grants and subsidies	-	94,658
Principal payments on long-term debt	(370,223)	(3,545,182)
Net cash provided (used) by capital and related financing activities	<u>(21,879)</u>	<u>(6,076,715)</u>
Cash Flows From Investing Activities:		
Proceeds from sale of warehouse inventory	-	2,118
Investment earnings	19,171	482,747
Net cash provided (used) by investing activities	<u>19,171</u>	<u>484,865</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>1,166,380</u>	<u>9,208,198</u>
Cash and Cash Equivalents/Investments:		
Beginning of year, July 1	<u>2,275,323</u>	<u>62,343,360</u>
End of year, June 30	<u>\$ 3,441,703</u>	<u>\$ 71,551,558</u>
Cash and cash equivalents/investments	\$ 2,820,315	\$ 62,394,886
Restricted cash and investments	621,388	1,910,744
	<u>\$ 3,441,703</u>	<u>\$ 1,910,744</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, 2017

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 9,403,176	\$ 3,201,797	\$ 715,062	\$ 332,628
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	1,814,568	625,181	1,218,123	1,830,964
Pension expense	1,118,834	337,796	853,520	584,131
Change in Assets and Liabilities:				
(Increase) decrease in receivables and assessments	(758,871)	34,496	(33,064)	(140,153)
(Increase) decrease in inventories	(4,983)	(701)	36,513	1,353
(Increase) decrease in deferred outflows of resources for pensions	(1,049,438)	(323,901)	(816,229)	(557,109)
Increase (decrease) in accounts payable and accrued expenses	(176,720)	107,591	166,531	47,249
Increase (decrease) in liabilities to be paid from restricted assets	122,024	26,227	(5,736)	(83)
Increase (decrease) in accrued compensated absences and other accrued liabilities	23,378	19,526	30,377	4,359
Net cash provided (used) by operating activities	<u>\$ 10,491,968</u>	<u>\$ 4,028,012</u>	<u>\$ 2,165,097</u>	<u>\$ 2,103,339</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

Exhibit I
Page 2 of 2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities	
	Other Nonmajor Fund	Internal Service Funds
	Storm Water Management	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:		
Operating income (loss)	\$ 772,432	\$ 14,425,095
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and amortization	369,160	5,857,996
Pension expense	431,295	3,325,576
Change in Assets and Liabilities:		
(Increase) decrease in receivables and assessments	(10,386)	(907,978)
(Increase) decrease in inventories	-	32,182
(Increase) decrease in deferred outflows of resources for pensions	(427,549)	(3,174,226)
Increase (decrease) in accounts payable and accrued expenses	(41,979)	102,672
Increase (decrease) in liabilities to be paid from restricted assets	(10,584)	131,848
Increase (decrease) in accrued compensated absences and other accrued liabilities	11,699	89,339
Net cash provided (used) by operating activities	<u>\$ 1,094,088</u>	<u>\$ 19,882,504</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

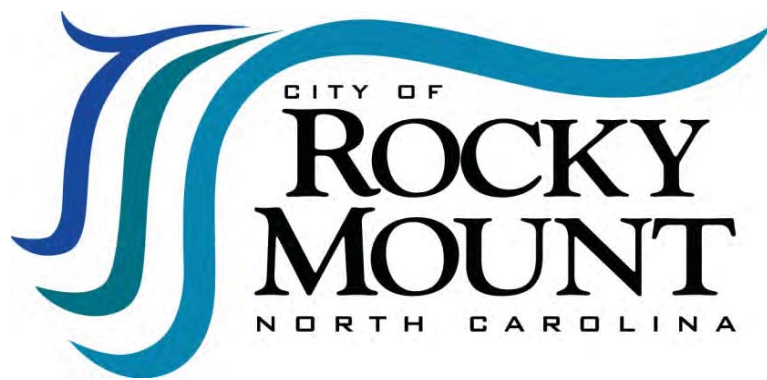
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents/investments	\$ 622,617
Total assets	<u>\$ 622,617</u>
Liabilities:	
Due to other agencies	\$ 622,617
Total liabilities	<u>\$ 622,617</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, 2017

1. Summary of Significant Accounting Policies

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

Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. The City was incorporated on February 19, 1867. The City has a population of approximately 55,466 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.

For fiscal year 2017, the City has added a blended component unit, the Rocky Mount Public Facilities Corporation, a legally separate entity that is essential for the tax credit financing used to supplement the special obligation bond proceeds for the Rocky Mount Event Center project. The entity is shown in a blended presentation as it exists for the purposes detailed below and is a major fund due to the volume and nature of the transactions occurring during the fiscal year. This financial statement presentation will enable users of the financial statements to identify balances specific to this entity and will emphasize that it is legally separate from the City.

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

Basis of Presentation

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities; however, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

The City reports the following major governmental funds:

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

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.

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

The City reports the following non-major governmental funds:

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

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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.

The City reports the following non-major enterprise fund:

Stormwater Fund – This fund accounts for the operations of the City's stormwater system.

Additionally, the City reports the following fund types:

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

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 risk management internal service fund are generally premiums charged to its employees for insurance coverage. Revenues of the communications internal service fund are allocations of its operating expenses to the general and proprietary funds based on services provided. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes which were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Use of Estimates

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

Budgetary Data

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

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, 2017. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2017. 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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

basis of accounting as required by State statute. All annual appropriations lapse at each fiscal year-end and must be re-appropriated in the following fiscal year's budget. 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.

Funds with Multi-Year Budgets

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

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

Encumbrances

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

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.

Interest earned as a result of pooling cash and investments is distributed to the appropriate funds based on the prior month's ending balance of cash and investments and is recorded monthly.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, 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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets. Customer deposits held by the City before any utility services are supplied are restricted to the service for which the deposit was collected. All other deposits are restricted in their respective funds. These deposits are reported as liabilities to be paid from restricted assets. Risk management and communication funds are also restricted.

City of Rocky Mount Restricted Cash

Governmental Activities

General Fund

Streets	\$ 4,633,962
Customer deposits	269,870
Unexpended debt proceeds	755,953

Entitlement Grants Fund

Customer deposits	500
-------------------	-----

General Capital Development Fund

Unexpended debt proceeds	17,186,740
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Internal Service Funds

Risk Management	827,348
Communications	1,083,396

Rocky Mount Public Facilities Corp

9,000

Total governmental activities \$ 24,766,769

Business-Type Activities

Electric Fund

Customer deposits	3,479,707
Unexpended debt proceeds	2,548,693

Gas Fund

Customer deposits	1,350,116
Unexpended debt proceeds	115,500

Water Fund

Customer deposits	603,033
Unexpended debt proceeds	74,205

Sewer Fund

Customer deposits	6,530
Unexpended debt proceeds	357,500

Stormwater Fund

Customer deposits	184,888
Unexpended debt proceeds	436,500

Total business-type activities \$ 9,156,672

Total restricted cash \$ 33,923,441

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 as due to/from other funds generally represent advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventories

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

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

Prepaid Items

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

Capital Assets

Capital assets which include property, plant, and equipment and infrastructure are reported in the City's government-wide and proprietary fund financial statements. Capital assets of the City generally have an initial, individual cost of more than \$5,000 and an estimated useful life of more

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

than one year. Assets are stated at cost if purchased or constructed. Costs for assets acquired prior to June 30, 1981, were recorded in the capital asset records based on a physical inventory of such assets at that date with assignment of actual cost, where this was available, and estimated historical cost, where actual historical cost could not be determined. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. Capital assets transferred to a recipient fund are recorded at the same book value as the transferor fund.

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

Description	Estimated Useful Lives
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.

Deferred Outflows/Inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets the criteria for deferred outflows of resources: pension deferrals for the 2017 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has the following items that meet the criterion for this category – assessments, tax, and miscellaneous receivables along with prepaid taxes, unspent cable franchise agreement funds, and deferrals of pension expense that result from the implementation of GASB Statement 68.

Long-Term Obligations

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

Compensated Absences

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

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

Net Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments or imposed by law through State Statute. Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unexpended debt proceeds of \$17,942,963 as of June 30, 2017.

Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Total Capital Assets	\$ 119,748,004	149,381,153
Less: Current Debt	(4,015,995)	(3,998,751)
Less: Long Term Debt	(59,444,281)	(14,118,985)
Add: Unexpended Debt Proceeds	17,942,693	3,532,398
Add: Other Post-Employment Benefits	5,219,050	1,640,038
Add: Other Debt - NCDOT	2,091,388	-
Net Investment in Capital Assets	<u>\$ 81,540,859</u>	<u>\$ 136,435,853</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Fund Balances

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

The governmental fund types classify fund balances as follows:

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 certain emergency telephone system expenditures.

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

Restricted for Economic Development – portion of fund balance restricted for downtown revitalization projects.

Committed Fund Balance

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Committed for Future Capital Projects – portion of fund balance that has been committed by the council for activities related to capital projects.

Assigned Fund Balance

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

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

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance.

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

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

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

Total fund balance - General Fund	\$ 47,252,961
Less:	
Inventories	387,800
Long-term receivable	16,649,800
Stabilization by State Statute	<u>6,412,023</u>
Total available fund balance	<u>\$ 23,803,338</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Interfund Transfers

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

Pensions

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

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 has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

At June 30, 2017, the City's deposits had a carrying amount of \$10,198,802 and a bank balance of approximately \$12,002,212. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$10,752,212 in interest-bearing deposits was covered by collateral held under the Pooling Method.

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"). The NCCMT-Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

At June 30, 2017, the City had \$95,102,507 invested with the North Carolina Capital Management Trust. Additionally, the City had \$17,186,740 in unexpended bond proceeds also invested in the North Carolina Capital Management Trust through the Bank of New York Mellon. The North Carolina Capital Management Trust's Government Portfolio carried a credit rating of AAAm by Standard and Poor's. The City's investment in the North Carolina Capital Management Trust's Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies and in high grade money market instruments as permitted under NC General Statutes 159-30, as amended. The City has no policy regarding credit risk.

	Valuation Measurement		Reported Value	Maturity	Value	Category
	Method					
North Carolina Capital Management Trust Government Portfolio	Amortized Cost		\$ 10,213,400	N/A	\$ 10,213,400	N/A
North Carolina Capital Management Trust Term Portfolio	Fair Value Level I		17,186,740	0.09	17,186,740	N/A
North Carolina Capital Management Trust Term Portfolio	Fair Value Level I		<u>84,889,107</u>	0.09	<u>84,889,107</u>	N/A
			<u>\$ 112,289,247</u>		<u>\$ 112,289,247</u>	

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Total cash and investments of \$122,500,174 reported by the City include cash on hand of \$12,125 and \$622,617 held by the City in the Agency fund, Community Development and Governmental Activities fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

At June 30, 2017, the City had \$33,923,441 in restricted cash and investments. Of this amount, there was \$17,942,693 and \$3,532,398 in governmental and business-type escrow accounts, respectively, and the escrow funds are to be used to purchase equipment and construction improvements under installment purchase agreements and for the construction of the Rocky Mount Event Center. The City has a total of \$5,894,644 in deposits that was restricted as to use and are reported as liabilities to be paid from restricted assets. The City has Powell Bill funds in the amount of \$4,633,962 that are restricted cash according to State law. The City had \$827,348 restricted for use in the Internal Service Fund for risk management and \$1,083,396 restricted for use in the Internal Service Fund for communications. Also included is restricted cash and investments of \$9,000 for the Rocky Mount Public Facilities Corporation.

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

3. Accounts Receivable and Allowances for Doubtful Accounts

Allowance for Doubtful Accounts

The receivables shown in the Balance Sheet and the Statement of Net Position at June 30, 2017 are net of the following allowances for doubtful accounts:

Fund	June 30, 2017
Governmental Activities:	
Ad valorem taxes	2,178,867
Planning loans	3,226,301
Miscellaneous	367,650
Customers	217,752
Total governmental activities	<u>5,990,570</u>
Business-Type Activities:	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	354,473
Total business-type activities	<u>2,499,641</u>
Total allowances for doubtful accounts	<u>\$ 8,490,211</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Accounts Receivable

At June 30, 2017 funds due from other governmental agencies consisted of the following:

	Nonmajor	
Governmental Activities:	General	Governmental
	Total	
Sales tax refund	\$ 1,160,760	\$ 1,160,760
Vehicle fee	100,944	\$ 100,944
Local option tax	1,881,181	\$ 1,881,181
Grants receivable	144,873	459,163 \$ 604,036
Franchise tax	142,539	\$ 142,539
Miscellaneous receivable	9,860	59,498 \$ 69,358
	<u>\$ 3,440,157</u>	<u>518,661</u> <u>\$ 3,958,818</u>

Business-Type Activities:

Sewer	\$ 43,626
Total business-type activities	<u>\$ 43,626</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2017, was as follows:

	July 1, 2016	Additions	Retirements	Transfers	June 30, 2017
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	7,002,346	2,761,970	401,588	-	9,362,728
Construction in progress	1,532,120	47,509	617,550	(914,569)	47,510
Total capital assets not being depreciated	8,534,466	2,809,479	1,019,138	(914,569)	9,410,238
Capital Assets Being Depreciated					
Land improvements	20,400,829	94,952	163,582	-	20,332,199
Buildings	60,975,951	858,507	479,558	-	61,354,900
Equipment	49,470,223	7,073,097	2,023,143	1,797,042	56,317,219
Infrastructure	56,596,426	551,679	-	82,877	57,230,982
Total capital assets being depreciated	187,443,429	8,578,235	2,666,283	1,879,919	195,235,300
Less Accumulated Depreciation for:					
Land improvements	9,316,952	808,215	138,458	-	9,986,709
Buildings	18,875,289	1,364,966	379,349	-	19,860,906
Equipment	35,979,613	3,581,744	1,828,418	900,890	38,633,829
Infrastructure	15,638,866	777,224	-	-	16,416,090
Total accumulated depreciation	79,810,720	6,532,149	2,346,225	900,890	84,897,534
Total capital assets being depreciated, net	107,632,709				110,337,766
Governmental activities capital assets, net	116,167,175				119,748,004

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

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

General government	\$ 1,140,855
Public works	1,842,757
Public safety	1,109,624
Transit	520,697
Planning	111,620
Recreation	1,667,066
Internal Service -Comm	139,530
Total	<u>\$ 6,532,149</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Capital asset activity for the business-type activities for the year ended June 30, 2017, was as follows:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2017</u>
Electric Fund:					
Capital Assets Not Being Depreciated:					
Land	332,382	4,225	-	-	336,607
Construction in progress	686,656	2,397,334	-	(191,314)	2,892,676
Total capital assets not being depreciated	<u>1,019,038</u>	<u>2,401,559</u>	<u>-</u>	<u>(191,314)</u>	<u>3,229,283</u>
Capital Assets Being Depreciated					
Land improvements	244,697	31,025	-	-	275,722
Buildings	8,956,114	-	-	161,564	9,117,678
Equipment	28,039,601	1,850,331	103,807	(879,775)	28,906,350
Infrastructure	34,986,434	986,937	-	141,718	36,115,089
Total capital assets being depreciated	<u>72,226,846</u>	<u>2,868,293</u>	<u>103,807</u>	<u>(576,493)</u>	<u>74,414,839</u>
Less Accumulated Depreciation for:					
Land improvements	102,058	7,938	-	-	109,996
Buildings	3,545,782	178,005	-	-	3,723,787
Equipment	20,806,775	1,082,244	103,807	(703,819)	21,081,393
Infrastructure	9,173,647	546,381	-	472	9,720,500
Total accumulated depreciation	<u>33,628,262</u>	<u>1,814,568</u>	<u>103,807</u>	<u>(703,347)</u>	<u>34,635,676</u>
Total capital assets being depreciated, net	<u>38,598,584</u>	<u>1,053,725</u>	<u>-</u>	<u>126,854</u>	<u>39,779,163</u>
Electric Fund capital assets, net	<u>39,617,622</u>	<u>3,455,284</u>	<u>-</u>	<u>(64,460)</u>	<u>43,008,446</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2017</u>
Gas Fund:					
Capital Assets Not Being Depreciated:					
Land	191,337	-	-	-	191,337
Total capital assets not being depreciated	<u>191,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,337</u>
Capital Assets Being Depreciated					
Land improvements	11,425	-	-	-	11,425
Buildings	2,243,630	-	-	-	2,243,630
Equipment	9,368,845	415,486	-	12,095	9,796,426
Infrastructure	15,376,144	701,189	-	-	16,077,333
Total capital assets being depreciated	<u>27,000,044</u>	<u>1,116,675</u>	<u>-</u>	<u>12,095</u>	<u>28,128,814</u>
Less Accumulated Depreciation for:					
Land improvements	3,237	457	-	-	3,694
Buildings	193,738	44,545	-	-	238,283
Equipment	6,629,766	375,428	-	12,095	7,017,289
Infrastructure	1,985,981	204,751	-	-	2,190,732
Total accumulated depreciation	<u>8,812,722</u>	<u>625,181</u>	<u>-</u>	<u>12,095</u>	<u>9,449,998</u>
Total capital assets being depreciated, net	<u>18,187,322</u>	<u>491,494</u>	<u>-</u>	<u>-</u>	<u>18,678,815</u>
Gas Fund capital assets, net	<u>18,378,659</u>	<u>491,494</u>	<u>-</u>	<u>-</u>	<u>18,870,152</u>

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2017</u>
Water Fund:					
Capital Assets Not Being Depreciated:					
Land	1,173,187	-	-	-	1,173,187
Construction in progress	160,241	16,170	-	(20,241)	156,170
Total capital assets not being depreciated	<u>1,333,428</u>	<u>16,170</u>	<u>-</u>	<u>(20,241)</u>	<u>1,329,357</u>
Capital Assets Being Depreciated					
Land improvements	9,089,797	7,135	-	-	9,096,932
Buildings	12,258,743	-	-	-	12,258,743
Equipment	9,594,882	1,347,016	52,601	11,266	10,900,563
Infrastructure	30,868,365	68,476	-	-	30,936,841
Total capital assets being depreciated	<u>61,811,787</u>	<u>1,422,627</u>	<u>52,601</u>	<u>11,266</u>	<u>63,193,078</u>
Less Accumulated Depreciation for:					
Land improvements	8,954,399	9,049	-	-	8,963,448
Buildings	6,786,296	245,717	-	-	7,032,013
Equipment	6,729,365	539,763	52,601	(8,975)	7,207,552
Infrastructure	10,159,596	423,594	-	-	10,583,190
Total accumulated depreciation	<u>32,629,656</u>	<u>1,218,123</u>	<u>52,601</u>	<u>(8,975)</u>	<u>33,786,203</u>
Total capital assets being depreciated, net	<u>29,182,131</u>	<u>204,504</u>	<u>-</u>	<u>20,241</u>	<u>29,406,875</u>
Water Fund capital assets, net	<u>30,515,559</u>	<u>220,674</u>	<u>-</u>	<u>-</u>	<u>30,736,232</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2017</u>
Sewer Fund:					
Capital Assets Not Being Depreciated:					
Land	782,025	-	-	-	782,025
Construction in progress	266,750	398,772	-	-	665,522
Total capital assets not being depreciated	<u>1,048,775</u>	<u>398,772</u>	<u>-</u>	<u>-</u>	<u>1,447,547</u>
Capital Assets Being Depreciated					
Land improvements	2,199,671	-	-	-	2,199,671
Buildings	40,378,608	35,305	-	-	40,413,913
Equipment	18,947,765	259,395	79,774	(75,185)	19,052,201
Infrastructure	32,337,636	-	-	-	32,337,636
Total capital assets being depreciated	<u>93,863,680</u>	<u>294,700</u>	<u>79,774</u>	<u>(75,185)</u>	<u>94,003,421</u>
Less Accumulated Depreciation for:					
Land improvements	2,112,927	3,908	-	-	2,116,835
Buildings	16,974,032	707,644	-	-	17,681,676
Equipment	12,193,668	688,658	79,774	(75,185)	12,727,367
Infrastructure	10,507,993	430,754	-	-	10,938,747
Total accumulated depreciation	<u>41,788,620</u>	<u>1,830,964</u>	<u>79,774</u>	<u>(75,185)</u>	<u>43,464,625</u>
Total capital assets being depreciated, net	<u>52,075,060</u>	<u>(1,536,264)</u>	<u>-</u>	<u>-</u>	<u>50,538,796</u>
 Sewer Fund capital assets, net	 <u>53,123,835</u>	 <u>(1,137,492)</u>	 <u>-</u>	 <u>-</u>	 <u>51,986,343</u>

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2017</u>
Storm Water Management Fund:					
Capital Assets Not Being Depreciated:					
Land	742,355	-	-	-	742,355
Total capital assets not being depreciated	<u>742,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>742,355</u>
Capital Assets Being Depreciated					
Land improvements	182,855	-	-	-	182,855
Buildings	65,000	-	-	-	65,000
Equipment	3,624,285	42,996	111,000	(125,478)	3,430,803
Infrastructure	3,119,376	32,098	-	-	3,151,474
Total capital assets being depreciated	<u>6,991,516</u>	<u>75,094</u>	<u>111,000</u>	<u>(125,478)</u>	<u>6,830,132</u>
Less Accumulated Depreciation for:					
Land improvements	21,313	7,314	-	-	28,627
Buildings	10,508	1,300	-	-	11,808
Equipment	2,471,715	316,192	111,000	(125,478)	2,551,429
Infrastructure	156,290	44,354	-	-	200,644
Total accumulated depreciation	<u>2,659,826</u>	<u>369,160</u>	<u>111,000</u>	<u>(125,478)</u>	<u>2,792,508</u>
Total capital assets being depreciated, net	<u>4,331,690</u>	<u>(294,066)</u>	<u>-</u>	<u>-</u>	<u>4,037,625</u>
 Total Storm Water Management Fund capital assets, net	 <u>5,074,045</u>	 <u>(294,066)</u>	 <u>-</u>	 <u>-</u>	 <u>4,779,980</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2017, were as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts and vouchers	\$ 1,291,380	\$ 6,419,650	\$ 7,711,030
Claims incurred but not reported	309,913	42,000	351,913
Accrued payroll and related liabilities	2,139,880	473,050	2,612,930
Total accounts payable and accrued liabilities	<u>\$ 3,741,173</u>	<u>\$ 6,934,700</u>	<u>\$ 10,675,873</u>

6. Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. The City is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, or at www.osc.nc.gov.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Rocky Mount employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Rocky Mount's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers and 7.32% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Rocky Mount for the year ended June 30, 2017 totaled \$3,246,821, comprised of \$2,552,228 for general employees and firefighters and \$694,593 for law enforcement officers.

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

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

At June 30, 2017, the City reported a liability of \$15,855,115 for its proportionate share of the net pension liability which was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the City's proportion was 0.74706%, which was a decrease of .02364% from its proportion measured as of June 30, 2015.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

For the year ended June 30, 2017, the City recognized pension expense of \$4,000,789. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 297,890	\$ 555,581
Changes of assumptions	1,085,934	-
Net difference between projected and actual earnings on pension plan investments	8,765,883	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	746,070
City contributions made subsequent to the measurement date	3,246,821	-
Total	<u>\$ 13,396,528</u>	<u>\$ 1,301,651</u>

\$3,246,821 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 1,179,608
2019	1,182,248
2020	4,037,331
2021	2,448,869
2022	-
Thereafter	-
Total	<u>\$ 8,848,056</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability (asset)	\$ 37,631,586	\$ 15,855,115	\$ (2,334,211)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Law Enforcement Officers Special Separation Allowance

Plan Description. The City administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A stand-alone financial report is not issued for this plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	23
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	166
Total	189

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: (a) inflation is assumed to be 3 percent, (b) salary increases are 3.5 percent to 7.35 percent, including inflation and productivity factor; and (c) a discount rate of 3.86 percent. The discount rate is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month. Mortality Rates are based on the RP-2014 Healthy Annuitant, Employee, and Disabled Retiree tables and projected forward using MP-2015.

Contributions. The City is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$405,951 as benefits came due for the reporting period.

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

At June 30, 2017, the City reported a total pension liability of \$5,970,895. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the City recognized pension expense of \$438,045.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	115,697
City contributions and plan administrative expense made subsequent to the measurement date	203,201	-
Total	\$ 203,201	\$ 115,697

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

\$203,201 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ (22,597)
2019	(22,597)
2020	(22,597)
2021	(22,597)
2022	(22,597)
Thereafter	(2,712)
Total	<u>\$ (115,697)</u>

\$202,960 paid as benefits came due and \$241 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.86 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.86 percent) or 1-percentage point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 6,463,873	\$ 5,970,895	\$ 5,522,037

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

Beginning balance	\$ 6,054,979
Service Cost	251,244
Interest on the total pension liability	208,917
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(138,294)
Benefit payments	(405,951)
Other changes	-
Ending balance of the total pension liability	<u>\$ 5,970,895</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan

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

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

The City's contributions were calculated using a covered payroll amount of \$8,684,289 for employees engaged in law enforcement and \$33,417,736 for all other full-time employees. Total contributions for the year ended June 30, 2017, were \$1,436,746 which consisted of \$434,214 for employees engaged in law enforcement and \$1,002,532 for all other employees. Voluntary contributions made by all City employees totaled \$837,451.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Membership of the post employment health benefit plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	188
Active members	832
	<u>1,020</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 \$468.96 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 \$468.96 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 6.7% of annual covered payroll. For fiscal year 2017, the City contributed \$2,366,675, or 5.8% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2017, were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

Summary of Significant Accounting Policies

Benefit expenditures are made from the proprietary funds, which are reported on the full accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 2,716,292
Interest on net OPEB obligation	259,914
Adjustment to annual required contribution	(248,299)
Annual OPEB cost (expense)	<u>2,727,907</u>
Contributions made	<u>2,366,675</u>
Increase (decrease) in net OPEB obligation	361,232
Net OPEB obligation, beginning of year	6,497,856
Net OPEB obligation, end of year	<u><u>\$ 6,859,088</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

Three-Year Trend Information			
For Year Ended June 30	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2015	2,514,419	76.80%	5,790,860
2016	2,895,856	75.59%	6,497,856
2017	2,727,907	86.76%	6,859,088

As of December 31, 2015, 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 \$36,619,877. The covered payroll (annual payroll of active employees covered by the plan) was \$40,732,113, and the ratio of the UAAL to the covered payroll was 89.9%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2015, 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 7.75% - 5.00% medical cost trend rate with 2022, 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, 2015, 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, 2017, the City made contributions to the State for death benefits of \$36,563. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .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.

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.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The City contributed a total of \$1,436,747 to the plan for the year ended June 30, 2017.

7. Operating Leases

The City had operating leases for the year ended June 30, 2017 for the purchase of computer equipment with principal payments of \$146,711, \$116,678, and \$121,109 in fiscal years 2018, 2019, and 2020 respectively. Payments made in fiscal year 2017 total \$141,049.

8. Deferred Outflows/Inflows of Resources

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

Source	Fund- Level	Government- Wide
Taxes receivable (General Fund)	\$ 1,473,514	\$ -
Accounts receivable (General Fund)	4,099,418	-
Assessments (General Fund)	3,867,668	-
Accounts receivable (other governmental funds)	11,833	-
Prepaid taxes (General Fund)	78,572	78,572
Unspent cable franchise agreement (General Fund)	103,501	103,501
Pension deferrals - LEOSA	-	115,697
Differences between expected and actual experience	-	555,581
Changes in proportion and difference between employer contributions and proportionate share of contribution	-	746,070
	<hr/>	<hr/>
Total	<u>\$ 9,634,506</u>	<u>\$ 1,599,421</u>

The balance of deferred outflows of resources is \$13,599,729 and is composed of the following elements:

Source	Fund- Level	Government- Wide
Contributions to pension plan in current fiscal year	\$ -	\$ 3,246,821
Benefit payments made and administrative expenses for LEOSA	-	203,201
Differences between expected and actual experience	-	297,890
Changes of assumptions	-	1,085,934
Net difference between projected and actual	-	8,765,883
	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 13,599,729</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

9. Commitments

Construction - The City had outstanding commitments at June 30, 2017, of approximately \$11,911,996 for the Rocky Mount Event Center, \$161,360 for the screw pump replacement, \$51,805 for the Sunset avenue water treatment plant pump #2 replacement, and \$8,807 for the substation #9 upgrade. A portion of these improvements are being financed with an installment note and special obligation bond proceeds.

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

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:

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 \$148,069 for estimated claims which will be covered under self-insurance retention. The City has recorded an accrual totaling \$203,844 for estimated claims which will be covered under the Risk Management fund. The self-insurance total of \$148,069 is for the estimated liability related to general property and workers compensation claims.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The 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 2017 and 2016 are summarized as follows:

Possible Claims and Judgments	2017	2016
Balance, beginning	\$ 168,035	\$ 197,320
Current year claims and changes in estimates	387,899	519,863
Claim payments	(407,865)	(549,148)
Balance, ending	<u>\$ 148,069</u>	<u>\$ 168,035</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2017 consist of the following:

Long-Term Debt:

	Serviced By	
	Governmental Activities	Business-Type Activities
Installment Purchases:		
Building; due in monthly installments of \$80,491; maturing June 2019; interest at 1.62% (LGC)	\$ 1,899,572	\$ -
Equipment; due in monthly installments of \$54,167; maturing May 2018; interest at 1.11%	388,972	206,861
Improvements; due in monthly installments of \$73,394; maturing April 2018; interest at .989% (LGC)	56,202	674,426
Building; due in monthly installments of \$53,889 plus interest; maturing June 2028; interest at 2.55% (LGC)	7,113,333	-
Improvements; due in monthly installments of \$10,292 plus interest; maturing May 2019; interest at 3.58% (LGC)	85,168	151,540
Equipment; due in monthly installments of \$63,440; maturing May 2020; interest at 1.554%	819,137	1,350,312
Improvements; due in semi-annual installments of \$363,128; maturing February 2020; interest at 4.91%, after BAB rebate 3.19% (LGC)	-	2,003,168
Improvements; due in monthly installments of \$14,831 plus interest; maturing May 2019; interest at 1.35% (LGC)	293,865	-
Equipment; due in monthly installments of \$72,083; maturing April 2022; interest at 1.762%	-	4,004,895
Improvements; due in monthly installments of \$23,083; maturing June 2025; interest at 2.07% (LGC)	1,768,000	448,000
Equipment; due in semi-annual installments of \$55,252; maturing January 2020; interest at 4.91%, after BAB rebate 3.19%	304,792	-
Equipment; due in monthly installments of \$46,937; maturing April 2021; interest at 1.334%	709,872	1,393,830
Equipment; due in monthly installments of \$61,692; maturing May 2019; interest at 1.24%	<u>816,182</u>	<u>585,284</u>
Total installment purchases	<u>\$ 14,255,095</u>	<u>\$ 10,818,316</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Other Long-Term Debt:	Serviced By	
	Governmental Activities	Business-Type Activities
HUD - Section 108 Loan Guarantee - Douglas Block project	\$ 1,785,000	\$ -
Special Obligation Bonds - Rocky Mount Event Center	36,815,000	-
Unamortized Special Obligation Bond Premium/(Discount)	3,294,743	-
Other - NCDOT	2,091,388	-
Other - NCDENR (LGC)	-	5,659,382
Subtotal	<u>43,986,131</u>	<u>5,659,382</u>
LEOSSA	5,970,895	-
Other post-employment benefits	<u>5,219,050</u>	<u>1,640,038</u>
Total other long-term debt	<u>55,176,076</u>	<u>7,299,420</u>
Total outstanding	69,431,171	18,117,736
Less current portion	<u>4,015,995</u>	<u>3,998,751</u>
	<u>\$ 65,415,176</u>	<u>\$ 14,118,985</u>

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 four 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)	\$ 238,211
Revolving loan due in annual payments of \$187,217 plus interest; maturing May 1, 2028; interest at 2.305% (LGC)	2,059,386
Revolving loan due in annual payments of \$112,491; maturing May 1, 2033; interest at 0% (LGC)	1,799,854
Revolving loan due in annual payments of \$87,551; maturing May 1, 2033; interest at 0.02% (LGC)	1,400,820
Revolving loan due in annual payments of \$12,393; maturing May 1, 2030; interest at 0% (LGC)	<u>161,111</u>
	<u>\$ 5,659,382</u>

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Special Obligation Bonds

The City issued \$36,815,000 Special Obligation Bonds on December 28, 2016, which will be used to finance construction of the Rocky Mount Event Center. Principal is due annually, in installments ranging from \$300,000 to \$2,965,000, beginning fiscal year 2019 through May 2036; interest is due semi-annually at rates ranging from 3.5% to 5.0%. Outstanding balance at June 30, 2017 is \$36,815,000.

Annual debt service requirements to maturity for the City's limited obligation bonds are as follows:

Year Ending		
June 30	Principal	Interest
2018	\$ -	\$ 1,251,750
2019	300,000	1,241,984
2020	1,455,000	1,227,166
2021	1,510,000	1,191,379
2022	1,575,000	1,151,915
2023-2027	9,120,000	5,038,242
2028-2032	11,630,000	3,399,763
2033-2036	11,225,000	1,072,384
Total	36,815,000	15,574,583

Changes in Long-Term Debt

The following are summaries of changes in the City's long-term debt for the year ended June 30, 2017:

	Balance			Balance	Due Within
	July 1, 2016	Additions	Retirements	June 30, 2017	One Year
Governmental Activities:					
Installment purchases	\$ 16,967,327	\$ 842,000	\$ 3,554,232	\$ 14,255,095	\$ 3,455,845
Special Obligation Bonds	-	36,815,000	-	36,815,000	-
Unamortized Bond Premium	-	3,477,487	182,744	3,294,743	372,650
LEOSSA	1,250,867	5,125,979	405,951	5,970,895	-
HUD Loan	1,930,000	-	145,000	1,785,000	145,000
YMCA	100,000	-	100,000	-	-
Other - NCDOT	1,009,857	1,743,978	662,447	2,091,388	42,500
Net pension liability (LGERS)	2,609,759	9,488,584	-	12,098,343	-
Other post-employment benefits	4,943,409	275,641	-	5,219,050	-
Compensated absences	3,606,837	2,125,355	2,115,540	3,616,652	2,115,540
Total	\$ 32,418,056	\$ 59,894,024	\$ 7,165,914	\$ 85,146,166	\$ 6,131,535
All Business-Type Activities:					
Installment purchases	\$ 8,475,070	\$ 5,459,000	\$ 3,115,754	\$ 10,818,316	\$ 3,569,323
Other - NCDENR	6,088,810	-	429,428	5,659,382	429,428
Net pension liability (LGERS)	849,108	2,907,664	-	3,756,772	-
Other post-employment benefits	1,554,446	85,592	-	1,640,038	-
Compensated absences	736,340	547,567	543,822	740,085	543,822
Total	\$ 17,703,774	\$ 8,999,823	\$ 4,089,004	\$ 22,614,593	\$ 4,542,573

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Electric Fund:					
Installment purchases	\$ 3,503,106	\$ 4,549,500	\$ 1,464,113	\$ 6,588,493	\$ 2,167,905
Net pension liability (LGERS)	261,518	980,517	-	1,242,035	-
Other post-employment benefits	505,072	28,298	-	533,370	-
Compensated absences	309,546	229,104	234,022	304,628	234,022
Total	<u>\$ 4,579,242</u>	<u>\$ 5,787,419</u>	<u>\$ 1,698,135</u>	<u>\$ 8,668,526</u>	<u>\$ 2,401,927</u>
Gas Fund:					
Installment purchases	\$ 238,660	\$ 115,500	\$ 241,797	\$ 112,363	\$ 37,953
Net pension liability (LGERS)	88,101	295,243	-	383,344	-
Other post-employment benefits	165,889	8,734	-	174,623	-
Compensated absences	65,724	52,111	41,321	76,514	41,321
Total	<u>\$ 558,374</u>	<u>\$ 471,588</u>	<u>\$ 283,118</u>	<u>\$ 746,844</u>	<u>\$ 79,274</u>
Water Fund:					
Installment purchases	\$ 1,582,133	-	\$ 422,494	\$ 1,159,639	\$ 331,168
Other - NCDENR	173,504	-	12,393	161,111	12,393
Net pension liability (LGERS)	219,742	746,285	-	966,027	-
Other post-employment benefits	429,173	22,009	-	451,182	-
Compensated absences	143,579	122,033	113,666	151,946	113,666
Total	<u>\$ 2,548,131</u>	<u>\$ 890,327</u>	<u>\$ 548,553</u>	<u>\$ 2,889,905</u>	<u>\$ 457,227</u>
Sewer Fund:					
Installment purchases	\$ 2,462,740	\$ 357,500	\$ 617,127	\$ 2,203,113	\$ 712,975
Other - NCDENR	5,915,306	-	417,035	5,498,271	417,035
Net pension liability (LGERS)	147,083	512,269	-	659,352	-
Other post-employment benefits	225,444	15,022	-	240,466	-
Compensated absences	115,739	75,506	86,170	105,075	86,170
Total	<u>\$ 8,866,312</u>	<u>\$ 960,297</u>	<u>\$ 1,120,332</u>	<u>\$ 8,706,277</u>	<u>\$ 1,216,180</u>
Stormwater Fund:					
Installment purchases	\$ 688,431	\$ 436,500	\$ 370,223	\$ 754,708	\$ 319,322
Net pension liability (LGERS)	132,664	373,350	-	506,014	-
Other post-employment benefits	228,868	11,529	-	240,397	-
Compensated absences	101,752	68,813	68,643	101,922	68,643
Total	<u>\$ 1,151,715</u>	<u>\$ 890,192</u>	<u>\$ 438,866</u>	<u>\$ 1,603,041</u>	<u>\$ 387,965</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, including interest, are as follows:

	Installment Purchases		Other	
	Principal	Interest	Principal	Interest
Governmental Activities:				
2018	\$ 3,455,845	\$ 281,008	\$ 187,500	\$ 1,317,210
2019	2,941,204	221,301	2,493,888	1,303,073
2020	1,422,293	175,630	1,600,000	1,283,600
2021	1,025,087	146,102	1,655,000	1,242,934
2022	867,667	124,074	1,720,000	1,198,279
2023-2027	3,896,332	313,169	9,845,000	5,184,961
2028-2032	646,667	8,932	11,965,000	3,415,264
2033-2037	-	-	11,225,000	1,072,384
2038-2042	-	-	-	-
2043-2047	-	-	-	-
Total governmental activities	<u>14,255,095</u>	<u>1,270,216</u>	<u>40,691,388</u>	<u>16,017,705</u>
Business-Type Activities:				
2018	3,569,323	211,541	429,428	80,738
2019	2,717,210	141,813	429,428	74,015
2020	2,383,339	77,862	429,428	67,292
2021	1,209,407	27,835	429,428	60,569
2022	771,037	9,893	429,428	53,846
2023-2027	168,000	5,362	2,087,593	169,042
2028-2032	-	-	1,224,608	39,336
2033	-	-	200,041	1,751
Total business-type activities	<u>10,818,316</u>	<u>474,306</u>	<u>5,659,382</u>	<u>546,589</u>
Total	<u>\$ 25,073,411</u>	<u>\$ 1,744,522</u>	<u>\$ 46,350,770</u>	<u>\$ 16,564,294</u>

Unamortized bond premium of \$3,294,743 has reduced interest for the special obligation bonds and the liability of \$5,219,050 for other post-employment benefits is not included in the amounts above.

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, 2017, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$287,892,797.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rolling 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, 2017, 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, 2017, are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>
	<u>General</u>
Community Development	31,275
Crime/Safety Control Fund	17,636
	48,911
RM Public Facilities Corporation	16,649,800
	<u>\$ 16,698,711</u>

The amounts due to the General fund from the nonmajor governmental funds represent \$48,911 in cash advances to cover expenses in the Special Revenue funds. During fiscal year 2017, the General fund loaned \$16,649,800 from special obligation bonds proceeds to the Rocky Mount Public Facilities Corporation to facilitate the tax credit financing for the Rocky Mount Event Center project. The balance on this loan at June 30, 2017 was \$16,649,800 and no portion of the loan is scheduled to be collected in the subsequent year.

During fiscal year 2015, the Gas fund loaned funds to the General fund for the purchase of recycling and rollout carts for environmental services division. The balance on this loan at June 30, 2017 was \$332,250. During fiscal year 2017, the Electric fund loaned funds to the General fund for the purpose of renovating the bus station and funds to Capital Projects fund for improvements at Booker T Washington High School. The balance on this loan at June 30, 2017 was \$981,286.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Transfers To/From Other Funds

Transfer Out	Transfer In				Total
	General Fund/Powell Bill	Major Governmental	Nonmajor Governmental	Enterprise	
General Fund	\$ 666,956	\$ 1,426,270	\$ 658,424	\$ 75,000	\$ 2,826,650
Major Governmental Fund	16,649,800	-	-	-	16,649,800
Nonmajor Governmental Funds	480,000	125,000	-	-	605,000
Electric Fund	2,110,000	-	-	-	2,110,000
Gas Fund	2,245,000	-	-	-	2,245,000
Water Fund	445,000	-	-	-	445,000
Total	<u>\$ 22,596,756</u>	<u>\$ 1,551,270</u>	<u>\$ 658,424</u>	<u>\$ 75,000</u>	<u>\$ 24,881,450</u>

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

The transfer between the General fund and nonmajor enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds. The transfer between the General fund and the major government fund represents contributions for the Rocky Mount Event Center project and Holly Street Park renovations. The transfer between the General fund and Powell Bill represents additional motor vehicle fee collections after the implementation of an increased fee in the current fiscal year to promote street repair and replacement.

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 \$622,207 to the library's operating purposes during the year ended June 30, 2017.

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").

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

To finance its ownership interest in the Initial Project, the Agency issued bonds. On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA’s outstanding revenue bonds. The NCEMPA entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA’s new revenue bonds. At December 31, 2016, \$386,215,000 of the bonds were outstanding (plus unamortized premium of \$1,391,000). 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 (RMWAA). 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 \$94,994 to the Authority for operating purposes and capital outlay during the year ended June 30, 2017. The participants in the joint

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

venture have an equity interest in the Authority's real property; therefore, an equity interest of \$2,042,981 which represents 29% of the net position of the RMWAA shown in their audited June 30, 2016 financial statements has been reflected in the City's Statement of Net Position as a noncurrent asset at June 30, 2017. The current year investment is included in the miscellaneous revenues in the Statement of Activities. 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, 2017, this payment totaled \$48,232.

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 \$14,422,200 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General 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, 2017, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of OMB Uniform Guidance and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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 implement a NCDENR approved remedial action plan (RAP) to address any subsurface

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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. The Land Use Restrictions are in the final stages of approval. Long-term groundwater monitoring was initiated during the 3rd Quarter of 2012. The monitoring is done to make sure contamination is not seeping down and spreading into the groundwater. Samples showed some contamination that had been leached into the soil. The City has recently allocated funds to remediate the leeching that is happening by using Aggressive Fluid Vapor Recovery, which vacuums out the contamination. The City will continue to monitor the contamination levels and groundwater monitoring will likely continue for the foreseeable future. As of June 30, 2017, the City has paid \$1,026,951 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 \$357,456 for the year ended June 30, 2017.

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. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* in the fiscal year ending June 30, 2017. The implementation of the statement required the City to record beginning total pension liability and the effects on net position of the benefit payments and administrative expenses paid by the City to the Law Enforcement Officers' Special Separation Allowance during the measurement period (year ending December 31, 2016). As a result, net position for the governmental activities decreased by \$4,397,680.

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, 2017****Schedule of Changes in Total Pension Liability**

	2017
Beginning balance	\$ 6,054,979
Service Cost	251,244
Interest on the total pension liability	208,917
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(138,294)
Benefit payments	(405,951)
Other changes	-
Ending balance of the total pension liability	<u>\$ 5,970,895</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total pension liability	\$ 5,970,895
Covered payroll	8,929,219
Total pension liability as a percentage of covered payroll	66.87%

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST - EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
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%
12/31/12	-	35,088,581	35,088,581	0.00%	40,225,360	87.2%
12/31/13	-	32,281,595	32,281,595	0.00%	38,506,523	83.8%
12/31/14	-	37,274,969	37,274,969	0.00%	38,746,271	96.2%
12/31/15	-	36,619,877	36,619,877	0.00%	40,732,113	89.9%

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%
2013	2,483,862	88.00%
2014	2,762,658	65.32%
2015	2,505,110	77.08%
2016	2,885,505	75.86%
2017	2,716,292	87.13%

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	12/31/2015	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 7.75%	
Year of Ultimate trend rate	2022	

CITY OF ROCKY MOUNT, NORTH CAROLINA**CITY OF ROCKY MOUNT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS****LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Rocky Mount's proportion of the net pension liability (asset) (%)	0.74706%	0.77070%	0.77537%	0.81440%
City of Rocky Mount's proportion of the net pension liability (asset) (\$)	\$ 15,855,115	\$ 3,458,867	\$ (4,572,714)	\$ 9,816,647
City of Rocky Mount's covered-employee payroll	\$ 42,215,771	\$ 41,170,604	\$39,599,802	\$ 39,111,519
City of Rocky Mount's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.56%	8.40%	-11.55%	25.10%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

CITY OF ROCKY MOUNT, NORTH CAROLINA**CITY OF ROCKY MOUNT'S CONTRIBUTIONS
REQUIRED SUPPLEMENTAL INFORMATION
LAST FOUR FISCAL YEARS****LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,246,821	\$ 2,879,744	\$ 2,938,437	\$ 2,815,978
Contributions in relation to the contractually required contribution	3,246,821	2,879,744	2,938,437	2,815,978
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Rocky Mount's covered-employee payroll	\$ 43,549,901	\$ 42,215,771	\$ 41,170,604	\$ 39,599,802
Contributions as a percentage of covered-employee payroll	7.46%	6.82%	7.14%	7.11%

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

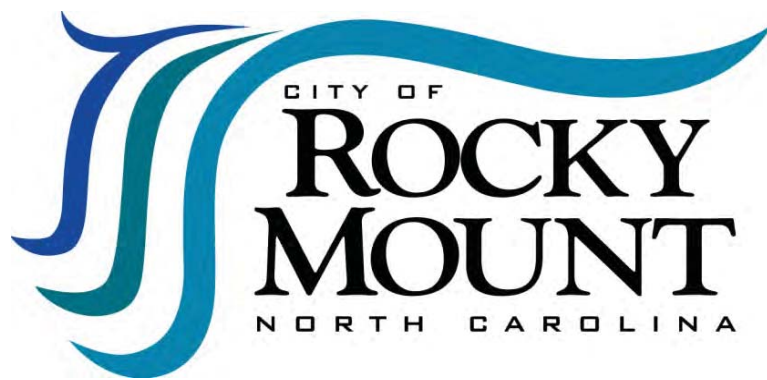
The General Fund is established to account for the revenues and expenditures traditionally associated with operating governmental service functions, except for those resources required to be accounted for in another fund.

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.

ROCKY MOUNT PUBLIC FACILITIES CORPORATION

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	2017		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 23,405,000	\$ 23,868,962	\$ 463,962
Prior years	440,000	424,401	(15,599)
Penalties and interest	250,000	200,943	(49,057)
Total	<u>24,095,000</u>	<u>24,494,306</u>	<u>399,306</u>
Intergovernmental Revenues:			
Payment in lieu of taxes	1,627,420	1,630,652	3,232
Local option sales tax	10,700,000	11,290,472	590,472
Telecommunications tax	620,000	615,201	(4,799)
Franchise tax	3,830,000	4,088,160	258,160
Tax refunds	50,000	65,290	15,290
Beer and wine tax	270,000	249,805	(20,195)
ABC revenues	82,000	100,206	18,206
Court facilities fees	109,000	100,132	(8,868)
State grants	2,634,133	1,687,944	(946,189)
On behalf payments - fire	-	12,201	12,201
Other	981,538	1,027,275	45,737
Total	<u>20,904,091</u>	<u>20,867,338</u>	<u>(36,753)</u>
Licenses, Permits and Other Taxes:			
Building permits and inspection fees	524,290	581,980	57,690
Rental vehicle tax	70,000	83,209	13,209
Animal tax	20,000	17,933	(2,067)
Other	1,131,600	841,292	(290,308)
Total	<u>1,745,890</u>	<u>1,524,414</u>	<u>(221,476)</u>
Sales and Service:			
Solid waste and recycling charges	3,864,800	3,813,551	(51,249)
Reconnection charges	312,000	314,025	2,025
Weed control charges	70,000	71,416	1,416
Cemetery revenues	140,000	160,701	20,701
Sale of fixed assets	121,500	194,830	73,330
Recreation charges	814,000	719,691	(94,309)
Transfer station charges	2,420,000	2,552,191	132,191
Concessions	116,500	113,525	(2,975)
Other	520,038	667,555	147,517
Total	<u>8,378,838</u>	<u>8,607,485</u>	<u>228,647</u>
Investment Earnings	<u>68,000</u>	<u>286,709</u>	<u>218,709</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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Miscellaneous:			
Insurance	108,646	164,905	56,259
Demolition assessment	33,000	162,112	129,112
Excess utility tax	90,000	114,262	24,262
Rents	274,600	423,416	148,816
Contributions	95,208	51,077	(44,131)
Parking	4,450	4,942	492
Other	116,350	195,693	79,343
Total	722,254	1,116,407	394,153
 Total revenues	 55,914,073	 56,896,659	 982,586
 Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	114,090	114,080	10
Employee benefits	53,300	53,292	8
Operating expenses	626,680	411,389	215,291
Capital outlay	1,200	1,178	22
Utility service fee	(407,800)	(407,800)	-
Total	387,470	172,139	215,331
 City Clerk:			
Salaries	190,820	190,813	7
Employee benefits	57,900	57,896	4
Operating expenses	32,320	31,038	1,282
Utility service fee	(144,400)	(144,400)	-
Total	136,640	135,347	1,293
 Community Services:			
Operating expenses	1,319,380	1,319,280	100
Utility service fee	(834,500)	(834,500)	-
Total	484,880	484,780	100
 City Manager:			
Salaries	769,695	769,652	43
Employee benefits	173,560	173,507	53
Operating expenses	114,705	84,430	30,275
Capital outlay	2,080	1,326	754
Utility service fee	(484,180)	(484,180)	-
Total	575,860	544,735	31,125

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Public Affairs:			
Salaries	162,910	162,848	62
Employee benefits	42,290	42,246	44
Operating expenses	140,650	117,849	22,801
Capital outlay	15,000	5,490	9,510
Utility service fee	(163,300)	(163,300)	-
Total	197,550	165,133	32,417
Downtown Development:			
Salaries	66,040	66,039	1
Employee benefits	19,200	19,192	8
Operating expenses	357,630	107,466	250,164
Utility service fee	(151,900)	(151,900)	-
Total	290,970	40,797	250,173
Finance:			
Administration:			
Salaries	231,470	231,462	8
Employee benefits	61,690	61,684	6
Operating expenses	1,340,607	1,201,084	139,523
Capital outlay	2,000	-	2,000
Utility service fee	(1,419,300)	(1,419,300)	-
Total	216,467	74,930	141,537
Accounting:			
Salaries	488,900	488,894	6
Employee benefits	129,690	129,687	3
Operating expenses	57,850	52,266	5,584
Capital outlay	2,000	238	1,762
Utility service fee	(665,900)	(665,900)	-
Total	12,540	5,185	7,355
Purchasing:			
Salaries	356,170	356,168	2
Employee benefits	101,130	100,874	256
Operating expenses	36,430	36,140	290
Utility service fee	(478,900)	(478,900)	-
Total	14,830	14,282	548

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Utility Billing:			
Salaries	1,829,780	1,829,774	6
Employee benefits	546,770	546,740	30
Operating expenses	807,960	806,255	1,705
Capital outlay	24,000	345	23,655
Utility service fee	(3,119,100)	(3,119,100)	-
Total	89,410	64,014	25,396
Technology Services:			
Salaries	572,380	572,372	8
Employee benefits	161,610	161,603	7
Operating expenses	1,434,830	1,207,790	227,040
Capital outlay	742,001	380,067	361,934
Utility service fee	(2,205,900)	(2,205,900)	-
Total	704,921	115,932	588,989
Total finance	1,038,168	274,343	763,825
Central Services:			
Municipal Building:			
Salaries	347,800	347,793	7
Employee benefits	107,370	107,365	5
Operating expenses	1,041,639	859,531	182,108
Capital outlay	363,207	188,950	174,257
Utility service fee	(1,240,100)	(1,240,100)	-
Total	619,916	263,539	356,377
Print Shop:			
Operating expenses	148,250	148,087	163
Utility service fee	(95,200)	(95,200)	-
Total	53,050	52,887	163
Judicial Center:			
Salaries	121,940	121,933	7
Employee benefits	35,310	35,302	8
Operating expenses	128,000	123,932	4,068
Capital outlay	27,000	23,750	3,250
Total	312,250	304,917	7,333
Total central services	985,216	621,343	363,873

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Planning and Development:			
Planning Administration:			
Salaries	389,100	389,067	33
Employee benefits	112,310	112,211	99
Operating expenses	39,040	30,175	8,865
Total	540,450	531,453	8,997
Inspections:			
Salaries	393,900	393,832	68
Employee benefits	119,900	106,084	13,816
Operating expenses	135,423	74,795	60,628
Capital outlay	21,677	21,677	-
Total	670,900	596,388	74,512
Community Development:			
Salaries	237,500	237,493	7
Employee benefits	56,290	55,006	1,284
Operating expenses	217,900	108,829	109,071
Capital outlay	30,000	10,838	19,162
Total	541,690	412,166	129,524
Neighborhood Redevelopment:			
Operating expenses	626,600	249,586	377,014
Capital outlay	50,000	23,100	26,900
Total	676,600	272,686	403,914
Total planning and development	2,429,640	1,812,693	616,947
Human Resources:			
Salaries	623,110	623,105	5
Employee benefits	958,550	955,184	3,366
Operating expenses	265,270	119,934	145,336
Capital outlay	7,650	3,299	4,351
Utility service fee	(1,214,920)	(1,214,920)	-
Total human resources	639,660	486,602	153,058

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Human Relations:			
Salaries	257,990	257,980	10
Employee benefits	72,720	72,715	5
Operating expenses	145,965	141,437	4,528
Capital outlay	1,245	1,236	9
Total human relations	477,920	473,368	4,552
Total general government	7,643,974	5,211,280	2,432,694
Public Safety:			
Police:			
Administration:			
Salaries	937,480	937,475	5
Employee benefits	165,570	165,262	308
Operating expenses	201,406	192,548	8,858
Total	1,304,456	1,295,285	9,171
Support Services:			
Salaries	2,419,790	2,419,705	85
Employee benefits	714,850	714,745	105
Operating expenses	468,719	439,647	29,072
Capital outlay	223,800	210,557	13,243
Total	3,827,159	3,784,654	42,505
Special Operations:			
Salaries	1,379,520	1,379,512	8
Employee benefits	410,210	410,205	5
Operating expenses	417,452	340,679	76,773
Capital outlay	75,007	15,020	59,987
Total	2,282,189	2,145,416	136,773
Patrol Services:			
Salaries	5,006,630	5,006,505	125
Employee benefits	1,611,100	1,611,090	10
Operating expenses	552,185	536,706	15,479
Capital outlay	405,000	136,136	268,864
Total	7,574,915	7,290,437	284,478

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Investigative Services:			
Salaries	1,132,160	1,132,157	3
Employee benefits	338,970	338,969	1
Operating expenses	95,800	90,659	5,141
Capital outlay	44,000	21,176	22,824
Total	1,610,930	1,582,961	27,969
Total police	16,599,649	16,098,753	500,896
Fire:			
Administration:			
Salaries	452,900	452,896	4
Employee benefits	161,810	157,483	4,327
Operating expenses	341,098	344,325	(3,227)
Capital outlay	169,200	45,290	123,910
Total	1,125,008	999,994	125,014
Operations:			
Salaries	6,880,340	6,880,331	9
Employee benefits	1,856,670	1,856,668	2
Operating expenses	745,656	728,253	17,403
Capital outlay	83,922	83,779	143
Total	9,566,588	9,549,031	17,557
Prevention:			
Salaries	365,470	365,462	8
Employee benefits	96,310	96,303	7
Operating expenses	13,590	12,737	853
Total	475,370	474,502	868
Training:			
Salaries	411,940	411,929	11
Employee benefits	107,870	107,827	43
Operating expenses	28,300	26,637	1,663
Total	548,110	546,393	1,717
Total fire	11,715,076	11,569,920	145,156
Total public safety	28,314,725	27,668,673	646,052

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Public Works:			
Administration:			
Salaries	98,310	98,303	7
Employee benefits	30,280	30,261	19
Operating expenses	180,440	65,320	115,120
Total	309,030	193,884	115,146
Street and ROW Maintenance:			
Salaries	671,900	671,888	12
Employee benefits	206,520	206,463	57
Operating expenses	1,399,190	1,390,537	8,653
Capital outlay	411,136	377,357	33,779
Service charges	(464,820)	(464,820)	-
Total	2,223,926	2,181,425	42,501
Housing Code Enforcement:			
Salaries	509,380	509,374	6
Employee benefits	138,060	138,052	8
Operating expenses	260,896	215,803	45,093
Capital outlay	8,000	7,284	716
Total	916,336	870,513	45,823
Environmental Service:			
Salaries	1,605,500	1,605,399	101
Employee benefits	501,500	501,493	7
Operating expenses	3,445,158	3,429,791	15,367
Capital outlay	1,045,242	717,549	327,693
Total	6,597,400	6,254,232	343,168
Fleet Maintenance:			
Salaries	697,350	696,956	394
Employee benefits	208,590	207,166	1,424
Operating expenses	1,933,904	1,932,402	1,502
Capital outlay	44,000	-	44,000
Service charges	(2,802,805)	(2,802,805)	-
Total	81,039	33,719	47,320
Total public works	10,127,731	9,533,773	593,958

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Engineering:			
Administration:			
Salaries	700,600	700,598	2
Employee benefits	187,760	187,754	6
Operating expenses	65,640	63,185	2,455
Capital outlay	18,500	16,563	1,937
Utility service fee	(554,600)	(554,600)	-
Total	<u>417,900</u>	<u>413,500</u>	<u>4,400</u>
Traffic:			
Salaries	508,820	508,811	9
Employee benefits	177,160	177,152	8
Operating expenses	345,704	343,636	2,068
Capital outlay	35,500	-	35,500
Utility service fee	(575,400)	(575,400)	-
Total	<u>491,784</u>	<u>454,199</u>	<u>37,585</u>
Total engineering	<u>909,684</u>	<u>867,699</u>	<u>41,985</u>
Parks and Recreation:			
Administration:			
Salaries	299,160	299,154	6
Employee benefits	141,950	141,945	5
Operating expenses	<u>384,201</u>	<u>162,106</u>	<u>222,095</u>
Total	<u>825,311</u>	<u>603,205</u>	<u>222,106</u>
Athletics:			
Salaries	306,870	306,861	9
Employee benefits	76,140	76,135	5
Operating expenses	193,020	183,459	9,561
Capital outlay	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>577,530</u>	<u>566,455</u>	<u>11,075</u>
Cultural Arts:			
Salaries	300,350	300,308	42
Employee benefits	70,480	70,193	287
Operating expenses	171,400	164,099	7,301
Capital outlay	<u>4,157</u>	<u>4,157</u>	<u>-</u>
Total	<u>546,387</u>	<u>538,757</u>	<u>7,630</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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Amusements and Special Events:			
Salaries	53,470	53,461	9
Employee benefits	17,740	17,735	5
Operating expenses	276,468	262,656	13,812
Total	347,678	333,852	13,826
Museum:			
Salaries	222,350	222,343	7
Employee benefits	66,090	66,081	9
Operating expenses	196,693	190,557	6,136
Capital outlay	3,138	2,238	900
Total	488,271	481,219	7,052
Parks Maintenance:			
Salaries	764,258	764,255	3
Employee benefits	224,400	222,054	2,346
Operating expenses	824,660	824,522	138
Capital outlay	135,011	118,868	16,143
Total	1,948,329	1,929,699	18,630
Cemetery Operations:			
Salaries	281,030	281,022	8
Employee benefits	83,060	83,037	23
Operating expenses	76,260	69,638	6,622
Capital outlay	24,400	858	23,542
Total	464,750	434,555	30,195
Outdoor Programs:			
Salaries	71,240	71,229	11
Employee benefits	5,449	5,449	-
Operating expenses	26,640	24,335	2,305
Total	103,329	101,013	2,316
Neighborhood Programs:			
Salaries	613,010	613,005	5
Employee benefits	110,530	110,526	4
Operating expenses	251,060	250,176	884
Capital outlay	194,200	179,258	14,942
Total	1,168,800	1,152,965	15,835

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Senior Programs:			
Salaries	243,460	243,458	2
Employee benefits	43,700	43,664	36
Operating expenses	212,990	212,959	31
Capital outlay	29,148	10,518	18,630
Total	529,298	510,599	18,699
Sports Complex:			
Salaries	304,412	304,410	2
Employee benefits	76,450	76,418	32
Operating expenses	502,328	474,202	28,126
Capital outlay	83,159	80,395	2,764
Total	966,349	935,425	30,924
Imperial Centre:			
Salaries	387,000	386,996	4
Employee benefits	78,190	78,173	17
Operating expenses	554,200	553,640	560
Capital outlay	25,147	25,142	5
Total	1,044,537	1,043,951	586
Rocky Mount Event Center			
Operating expenses	16,649,980	178	16,649,802
Total	16,649,980	178	16,649,802
Total parks and recreation	25,660,549	8,631,873	17,028,676
Public Service:			
Capital outlay	4,291,541	1,276,205	3,015,336
Debt service expenditures:			
Principal	3,679,575	3,568,065	111,510
Interest	785,000	784,548	452
Total debt service expenditures	4,464,575	4,352,613	111,962
Total expenditures	81,412,779	57,542,116	23,870,663
Revenues over (under) expenditures	(25,498,706)	(645,457)	24,853,249

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, 2017**

	2017		
	Final Budget	Actual	Variance Positive/(Negative)
Other Financing Sources (Uses):			
Transfers to other funds	(3,469,533)	(2,826,650)	642,883
Transfers from other funds	22,729,800	22,596,756	(133,044)
Installment purchase financing issued	1,818,500	842,000	(976,500)
Total other financing sources (uses):	<u>21,078,767</u>	<u>20,612,106</u>	<u>(466,661)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(4,419,939)	19,966,649	24,386,588
Fund balance appropriated	<u>4,419,939</u>	<u>-</u>	<u>(4,419,939)</u>
Net change in fund balance	<u>\$ -</u>	19,966,649	<u>\$ 19,966,649</u>
Fund Balance:			
Beginning of year, July 1		<u>27,286,312</u>	
End of year, June 30		<u>\$ 47,252,961</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

MAJOR 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, 2017

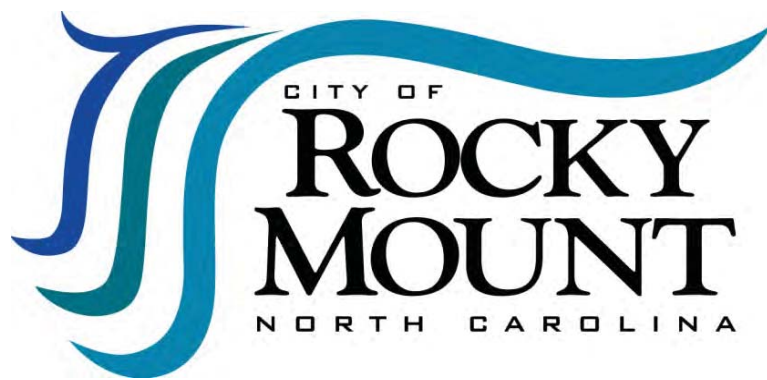
	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:				
Intergovernmental	\$ 6,115,114	\$ 6,007,489	\$ -	\$ 6,007,489
Investment earnings	-	63,608	143,954	207,562
Miscellaneous	4,976,535	4,937,144	4,050	4,941,194
Total revenues	<u>11,091,649</u>	<u>11,008,241</u>	<u>148,004</u>	<u>11,156,245</u>
Expenditures:				
Parks and recreation	27,895,457	708,933	6,253,577	6,962,510
Public service	<u>17,440,478</u>	<u>18,897,702</u>	<u>-</u>	<u>18,897,702</u>
Total expenditures	<u>45,335,935</u>	<u>19,606,635</u>	<u>6,253,577</u>	<u>25,860,212</u>
Revenues over (under) expenditures	<u>(34,244,286)</u>	<u>(8,598,394)</u>	<u>(6,105,573)</u>	<u>(14,703,967)</u>
Other Financing Sources (Uses):				
Transfers to other funds	(16,649,800)	-	(16,649,800)	(16,649,800)
Transfers from other funds	7,801,599	6,182,164	1,551,270	7,733,434
Bond premium/discount	-	-	3,477,487	3,477,487
Debt financing issued	<u>43,092,487</u>	<u>2,800,000</u>	<u>36,815,000</u>	<u>39,615,000</u>
Total other financing sources (uses)	<u>34,244,286</u>	<u>8,982,164</u>	<u>25,193,957</u>	<u>34,176,121</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 383,770</u>	19,088,384	<u>\$ 19,472,154</u>
Fund Balance:				
Beginning of year, July 1			<u>383,770</u>	
End of year, June 30			<u>\$ 19,472,154</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

MAJOR SPECIAL REVENUE FUND-PUBLIC FACILITIES CORPORATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual		
	Project Budget	Prior Years	Current Year	Total
Revenues:				
Contributions	\$ -	\$ -	\$ 9,000	\$ 9,000
Miscellaneous	1,473,632	-	21,637	21,637
Total revenues	1,473,632	-	30,637	30,637
Expenditures:				
Debt service:				
Interest	1,473,632	-	21,637	21,637
Total expenditures	1,473,632	-	21,637	21,637
Revenues over (under) expenditures	-	-	9,000	9,000
Net change in fund balance	\$ -	\$ -	9,000	\$ 9,000
Fund Balance:				
Beginning of year, July 1			-	
End of year, June 30			\$ 9,000	

NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2017

	Special Revenue Funds	Capital Project Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents/investments	\$ 749,408	\$ 834,872	\$ 1,584,280
Receivables - net:			
Ad valorem taxes	-	11,833	11,833
Other governmental agencies	518,661	-	518,661
Other	403,821	1,429	405,250
Prepaid items	340,000	-	340,000
Restricted cash and investments	500	-	500
Total assets	<u>\$ 2,012,390</u>	<u>\$ 848,134</u>	<u>\$ 2,860,524</u>
Liabilities:			
Accounts payable and accrued expenditures	\$ 26,441	\$ 129,952	\$ 156,393
Liabilities to be paid from restricted assets	500	-	500
Due to other funds	48,911	813,195	862,106
Total liabilities	<u>75,852</u>	<u>943,147</u>	<u>1,018,999</u>
Deferred Inflows of Resources:			
Taxes receivable	-	11,833	11,833
Total deferred inflows of resources	<u>-</u>	<u>11,833</u>	<u>11,833</u>
Fund Balances:			
Nonspendable			
Prepaid items	340,000	-	340,000
Restricted:			
Stabilization by State statute	922,482	1,429	923,911
Economic development	80,041	-	80,041
Public safety	192,945	-	192,945
Parks and recreation	291,820	-	291,820
Committed			
Public service	171,100	-	171,100
Unassigned	(61,850)	(108,275)	(170,125)
Total fund balances	<u>1,936,538</u>	<u>(106,846)</u>	<u>1,829,692</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,012,390</u>	<u>\$ 848,134</u>	<u>\$ 2,860,524</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, 2017**

	Special Revenue Funds	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 66,467	\$ 66,467
Intergovernmental	7,219,824	65,000	7,284,824
Project revenues	2,491,335	-	2,491,335
Investment earnings	4,343	5,155	9,498
Contributions	-	-	-
Miscellaneous	61,233	-	61,233
Total revenues	<u>9,776,735</u>	<u>136,622</u>	<u>9,913,357</u>
Expenditures:			
Public safety	176,566	73,191	249,757
Parks and recreation	875	1,020,954	1,021,829
Public service	7,622,461	-	7,622,461
Community revitalization	1,588,747	-	1,588,747
Economic development	41,392	-	41,392
Debt service:			
Principal	72,500	-	72,500
Interest	34,749	-	34,749
Total expenditures	<u>9,537,290</u>	<u>1,094,145</u>	<u>10,631,435</u>
Revenues over (under) expenditures	<u>239,445</u>	<u>(957,523)</u>	<u>(718,078)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(480,000)	(125,000)	(605,000)
Transfers from other funds	375,424	283,000	658,424
Debt financing issued	-	-	-
Total other financing sources (uses)	<u>(104,576)</u>	<u>158,000</u>	<u>53,424</u>
Net change in fund balances	134,869	(799,523)	(664,654)
Fund Balances:			
Beginning of year, July 1	<u>1,801,669</u>	<u>692,677</u>	<u>2,494,346</u>
End of year, June 30	<u>\$ 1,936,538</u>	<u>\$ (106,846)</u>	<u>\$ 1,829,692</u>

NON MAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

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

Entitlement Grants Fund

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

Crime/Safety Control Fund

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

Economic Development Fund

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

Emergency Telephone System Fund

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

Occupancy Tax

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2017

	Public Transportation Grants	Entitlement Grants	Crime/ Safety Control
Assets:			
Cash and cash equivalents/investments	\$ 111,630	\$ -	\$ -
Receivables - net:			
Other governmental agencies	355,912	71,698	31,553
Other	393,887	2,356	-
Prepaid items	340,000	-	-
Restricted cash and investments	-	500	-
Total assets	<u>\$ 1,201,429</u>	<u>\$ 74,554</u>	<u>\$ 31,553</u>
Liabilities:			
Accounts payable and accrued expenditures	\$ 10,702	\$ -	\$ 12,939
Liabilities to be paid from restricted assets	-	500	-
Due to other funds	-	31,275	17,636
Total liabilities	<u>10,702</u>	<u>31,775</u>	<u>30,575</u>
Fund Balance:			
Nonspendable:			
Prepaid items	340,000		-
Restricted:			
Stabilization by State statute	749,799	74,054	31,553
Economic development	-	-	-
Public safety	-	-	-
Parks and recreation	-	-	-
Committed	100,928	-	-
Unassigned	-	(31,275)	(30,575)
Total fund balance (deficit)	<u>1,190,727</u>	<u>42,779</u>	<u>978</u>
Total liabilities and fund balance	<u>\$ 1,201,429</u>	<u>\$ 74,554</u>	<u>\$ 31,553</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Schedule D-1

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Economic Development	Emergency Telephone System	Occupancy Tax	Total
Assets:				
Cash and cash equivalents/investments	\$ 153,013	\$ 192,945	\$ 291,820	\$ 749,408
Receivables - net:				
Other governmental agencies	-	59,498	-	518,661
Other	7,578	-	-	403,821
Prepaid items	-	-	-	340,000
Restricted cash and investments	-	-	-	500
Total assets	<u>\$ 160,591</u>	<u>\$ 252,443</u>	<u>\$ 291,820</u>	<u>\$ 2,012,390</u>
Liabilities:				
Accounts payable and accrued expenditures	\$ 2,800	\$ -	\$ -	\$ 26,441
Liabilities to be paid from restricted assets	-	-	-	500
Due to other funds	-	-	-	48,911
Total liabilities	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>75,852</u>
Fund Balance:				
Nonspendable:				
Prepaid items	-	-	-	340,000
Restricted:				
Stabilization by State statute	7,578	59,498	-	922,482
Economic development	80,041	-	-	80,041
Public safety	-	192,945	-	192,945
Parks and recreation	-	-	291,820	291,820
Committed	70,172	-	-	171,100
Unassigned	-	-	-	(61,850)
Total fund balance (deficit)	<u>157,791</u>	<u>252,443</u>	<u>291,820</u>	<u>1,936,538</u>
Total liabilities and fund balance	<u>\$ 160,591</u>	<u>\$ 252,443</u>	<u>\$ 291,820</u>	<u>\$ 2,012,390</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, 2017

	Public Transportation Grants	Entitlement Grants	Crime/ Safety Control
Revenues:			
Intergovernmental	\$ 4,420,019	\$ 1,615,994	\$ 122,538
Project revenues	2,479,608	11,727	-
Investment earnings	-	-	4
Miscellaneous	61,233	-	-
Total revenues	<u>6,960,860</u>	<u>1,627,721</u>	<u>122,542</u>
Expenditures:			
Public safety	-	-	176,566
Parks and recreation	-	-	875
Public service	7,302,286	-	-
Community revitalization	-	1,588,747	-
Economic development	-	-	-
Debt service:			
Principal	-	72,500	-
Interest	-	34,749	-
Total expenditures	<u>7,302,286</u>	<u>1,695,996</u>	<u>177,441</u>
Revenues over (under) expenditures	<u>(341,426)</u>	<u>(68,275)</u>	<u>(54,899)</u>
Other Financing Sources (Uses):			
Transfers to other funds	-	-	-
Transfers from other funds	270,521	50,000	54,903
Total other financing sources (uses)	<u>270,521</u>	<u>50,000</u>	<u>54,903</u>
Net change in fund balances	(70,905)	(18,275)	4
Fund Balance:			
Beginning of year, July 1	1,261,632	61,054	974
End of year , June 30	<u>\$ 1,190,727</u>	<u>\$ 42,779</u>	<u>\$ 978</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Schedule D-2

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	Economic Development	Emergency Telephone System	Occupancy Tax	Total
Revenues:				
Intergovernmental	\$ 94,340	344,649	\$ 622,284	\$ 7,219,824
Project revenues	-	-	-	2,491,335
Investment earnings	-	1,508	2,831	4,343
Miscellaneous	-	-	-	61,233
Total revenues	<u>94,340</u>	<u>346,157</u>	<u>625,115</u>	<u>9,776,735</u>
Expenditures:				
Public safety	-	-	-	176,566
Parks and recreation	-	-	-	875
Public service	-	320,175	-	7,622,461
Community revitalization	-	-	-	1,588,747
Economic development	41,392	-	-	41,392
Debt service:				
Principal	-	-	-	72,500
Interest	-	-	-	34,749
Total expenditures	<u>41,392</u>	<u>320,175</u>	<u>-</u>	<u>9,537,290</u>
Revenues over (under) expenditures	<u>52,948</u>	<u>25,982</u>	<u>625,115</u>	<u>239,445</u>
Other Financing Sources (Uses):				
Transfers to other funds	-	-	(480,000)	(480,000)
Transfers from other funds	-	-	-	375,424
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(480,000)</u>	<u>(104,576)</u>
Net change in fund balances	52,948	25,982	145,115	134,869
Fund Balance:				
Beginning of year, July 1	<u>104,843</u>	<u>226,461</u>	<u>146,705</u>	<u>1,801,669</u>
End of year , June 30	<u>\$ 157,791</u>	<u>\$ 252,443</u>	<u>\$ 291,820</u>	<u>\$ 1,936,538</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC TRANSPORTATION GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:				
Intergovernmental	\$ 8,110,763	\$ 3,528,457	4,420,019	\$ 7,948,476
Project revenues	7,303,900	5,420,239	2,479,608	7,899,847
Miscellaneous	53,388	11,755	61,233	72,988
Total revenues	<u>15,468,051</u>	<u>8,960,451</u>	<u>6,960,860</u>	<u>15,921,311</u>
Expenditures:				
Public Service:				
Operating	12,997,634	8,734,498	4,135,980	12,870,478
Capital outlay	4,385,864	956,381	3,166,306	4,122,687
Total expenditures	<u>17,383,498</u>	<u>9,690,879</u>	<u>7,302,286</u>	<u>16,993,165</u>
Revenues over (under) expenditures	<u>(1,915,447)</u>	<u>(730,428)</u>	<u>(341,426)</u>	<u>(1,071,854)</u>
Other Financing Sources (Uses):				
Transfers from other funds	735,484	396,722	270,521	667,243
Transfers to other funds	(25,000)	(25,000)	-	(25,000)
Fund balance appropriated	1,204,963	-	-	-
Total other financing sources (uses)	<u>1,915,447</u>	<u>371,722</u>	<u>270,521</u>	<u>642,243</u>
Adjustment for closed projects	<u>-</u>	<u>1,620,338</u>		<u>1,620,338</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,261,632</u>	<u>(70,905)</u>	<u>\$ 1,190,727</u>

Fund Balance:

Beginning of year, July 1	<u>1,261,632</u>
End of year, June 30	<u>\$ 1,190,727</u>

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

Revenues:	
Intergovernmental	\$ 1,014,772
Project revenues	<u>255,978</u>
Total revenues:	<u>1,270,750</u>
Expenditures:	
Operating	1,135,109
Capital outlay	<u>342,744</u>
Total expenditures:	<u>1,477,853</u>
Revenues over (under) expenditures	(207,103)
Transfers from other funds	<u>193,450</u>
Adjustment to Fund Balance	<u>\$ (13,653)</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, 2017

		Actual		
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 17,342,340	\$ 13,894,671	\$ 1,615,994	\$ 15,510,665
Project revenues	2,093,865	2,242,822	11,727	2,254,549
Investment earnings	-	9,884	-	9,884
Miscellaneous	7,322	20,172	-	20,172
Total revenues	<u>19,443,527</u>	<u>16,167,549</u>	<u>1,627,721</u>	<u>17,795,270</u>
Expenditures:				
Community revitalization program:				
Operating	19,692,803	15,918,571	1,588,747	17,507,318
Capital outlay	9,249	9,248	-	9,248
Debt service:				
Principal	544,000	470,000	72,500	542,500
Interest	232,475	193,676	34,749	228,425
Total expenditures	<u>20,478,527</u>	<u>16,591,495</u>	<u>1,695,996</u>	<u>18,287,491</u>
Revenues over (under) expenditures	<u>(1,035,000)</u>	<u>(423,946)</u>	<u>(68,275)</u>	<u>(492,221)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>1,035,000</u>	<u>485,000</u>	<u>50,000</u>	<u>535,000</u>
Total other financing sources (uses)	<u>1,035,000</u>	<u>485,000</u>	<u>50,000</u>	<u>535,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 61,054</u>	<u>(18,275)</u>	<u>\$ 42,779</u>
Fund Balance:				
Beginning of year, July 1			<u>61,054</u>	
End of year, June 30			<u>\$ 42,779</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - CRIME/SAFETY CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual		
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 767,877	\$ 538,611	\$ 122,538	\$ 661,149
Investment earnings	-	179	4	183
Total revenues	<u>767,877</u>	<u>538,790</u>	<u>122,542</u>	<u>661,332</u>
Expenditures:				
Public Safety:				
Operating	410,456	313,296	39,940	353,236
Capital outlay	472,603	293,954	136,626	430,580
Parks and Recreation:				
Operating	10,000	-	875	875
Total expenditures	<u>893,059</u>	<u>607,250</u>	<u>177,441</u>	<u>784,691</u>
Revenues over (under) expenditures	<u>(125,182)</u>	<u>(68,460)</u>	<u>(54,899)</u>	<u>(123,359)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>125,182</u>	<u>69,434</u>	<u>54,903</u>	<u>124,337</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 974</u>	<u>4</u>	<u>\$ 978</u>
Fund Balance:				
Beginning of year, July 1			<u>974</u>	
End of year, June 30			<u>\$ 978</u>	

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

Revenues:	
Intergovernmental	\$ 40,875
Total revenues:	<u>40,875</u>
Expenditures:	
Operating	<u>43,667</u>
Total expenditures:	<u>43,667</u>
Revenues over (under) expenditures	(2,792)
Transfers from other funds	<u>2,792</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

		Actual		
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 946,667	\$ 692,156	\$ 94,340	\$ 786,496
Investment earnings	-	10,496	-	10,496
Total revenues	<u>946,667</u>	<u>702,652</u>	<u>94,340</u>	<u>796,992</u>
Expenditures:				
Economic development:				
Operating	<u>956,667</u>	<u>607,809</u>	<u>41,392</u>	<u>649,201</u>
Total expenditures	<u>956,667</u>	<u>607,809</u>	<u>41,392</u>	<u>649,201</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>94,843</u>	<u>52,948</u>	<u>147,791</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 104,843</u>	<u>52,948</u>	<u>\$ 157,791</u>
Fund Balance:				
Beginning of year, July 1			<u>104,843</u>	
End of year, June 30			<u>\$ 157,791</u>	

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

Revenues:	
Intergovernmental	\$ 90,000
Miscellaneous	<u>30,115</u>
Total revenues:	<u>120,115</u>
Expenditures:	
Operating	<u>563,535</u>
Total expenditures:	<u>563,535</u>
Revenues over (under) expenditures	(443,420)
Transfers from other funds	<u>443,420</u>
	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
Intergovernmental	\$ 477,829	\$ 344,649	\$ (133,180)
Investment earnings	420	1,508	1,088
Total revenues	<u>478,249</u>	<u>346,157</u>	<u>(132,092)</u>
Expenditures:			
Public service:			
Implemental functions	70,000	69,653	347
Telephone	95,900	145,882	(49,982)
Software maintenance	78,000	73,910	4,090
Hardware maintenance	50,000	3,304	46,696
Training	2,500	790	1,710
Capital outlay	<u>181,849</u>	<u>26,636</u>	<u>155,213</u>
Total expenditures	<u>478,249</u>	<u>320,175</u>	<u>158,074</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>25,982</u>	<u>\$ 25,982</u>
Other Financing Sources (Uses):			
Fund balance appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>25,982</u>	<u>\$ 25,982</u>
Fund Balances:			
Beginning of year, July 1		<u>226,461</u>	
End of year, June 30		<u>\$ 252,443</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - OCCUPANCY TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Project Authorization	Actual		
		Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 6,975,000	\$ 6,618,850	\$ 622,284	\$ 7,241,134
Investment earnings	35,000	56,862	2,831	59,693
Total revenues	<u>7,010,000</u>	<u>6,675,712</u>	<u>625,115</u>	<u>7,300,827</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(7,010,000)</u>	<u>(6,529,007)</u>	<u>(480,000)</u>	<u>(7,009,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 146,705</u>	145,115	<u>\$ 291,820</u>
Fund Balance:				
Beginning of year, July 1			<u>146,705</u>	
End of year, June 30			<u>\$ 291,820</u>	

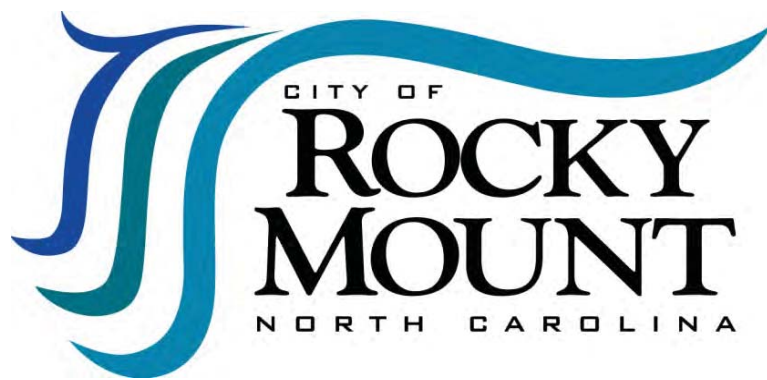


NON MAJOR CAPITAL PROJECTS FUND

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.



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
BALANCE SHEET
JUNE 30, 2017

	General Capital Projects
Assets:	
Cash and cash equivalents/investments	\$ 834,872
Receivables - net:	
Ad valorem taxes	11,833
Other	<u>1,429</u>
Restricted cash and investments	<u>-</u>
Total assets	<u><u>\$ 848,134</u></u>
Liabilities:	
Accounts payable	129,952
Due to other funds	<u>813,195</u>
Total liabilities	<u>943,147</u>
Deferred Inflows of Resources:	
Taxes receivable	<u>11,833</u>
Total deferred inflows of resources	<u>11,833</u>
Fund Balance:	
Restricted:	
Stabilization by State statute	1,429
Unassigned	<u>(108,275)</u>
Total fund balance	<u>(106,846)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 848,134</u></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, 2017

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
Ad valorem taxes	\$ 80,000	\$ 66,467	\$ (13,533)
Intergovernmental	65,000	65,000	-
Project revenues	60,000	-	(60,000)
Investment earnings	2,000	5,155	3,155
Total revenues	<u>207,000</u>	<u>136,622</u>	<u>(70,378)</u>
Expenditures:			
General government	74,076	-	74,076
Public safety	127,000	73,191	53,809
Parks and recreation	1,258,967	1,020,954	238,013
Total expenditures	<u>1,460,043</u>	<u>1,094,145</u>	<u>365,898</u>
Revenues over (under) expenditures	<u>(1,253,043)</u>	<u>(957,523)</u>	<u>295,520</u>
Other Financing Sources (Uses):			
Transfers to other funds	(793)	(125,000)	(124,207)
Transfers from other funds	562,100	283,000	(279,100)
Fund balance appropriated	691,736	-	(691,736)
Total other financing sources (uses)	<u>1,253,043</u>	<u>158,000</u>	<u>(1,095,043)</u>
Net change in fund balance	<u>\$ -</u>	<u>(799,523)</u>	<u>\$ (799,523)</u>
Fund Balances:			
Beginning of year, July 1		<u>692,677</u>	
End of year, June 30		<u>\$ (106,846)</u>	

ENTERPRISE FUNDS

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

Electric Fund

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

Gas Fund

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

Water Fund

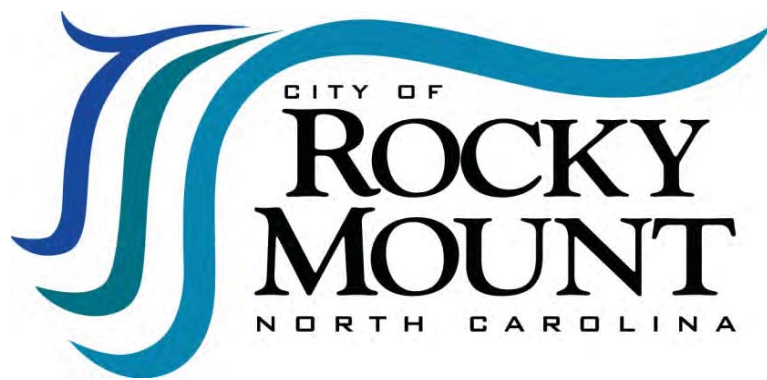
This fund accounts for the operation of the City's water treatment and distribution system.

Sewer Fund

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

Stormwater Management Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 78,575,000	\$ 78,883,736	\$ 308,736
Other operating revenue	962,200	1,077,130	114,930
Other nonoperating revenue	200,553	761,757	561,204
Grants and subsidies	264,004	51,032	(212,972)
Investment earnings	52,000	234,313	182,313
Total revenues	<u>80,053,757</u>	<u>81,007,968</u>	<u>954,211</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	2,470,940	2,470,929	11
Employee benefits	1,184,410	1,182,489	1,921
Electric power purchase	55,771,020	54,693,922	1,077,098
Operating expense	11,457,478	10,302,790	1,154,688
Engineering:			
Salaries	920,680	920,668	12
Employee benefits	258,630	258,622	8
Operating expense	516,500	375,011	141,489
Energy services:			
Salaries	680,846	678,879	1,967
Employee benefits	197,640	196,944	696
Operating expense	644,612	498,807	145,805
Budgetary appropriations:			
Capital outlay	11,760,743	5,964,517	5,796,226
Debt services expenditures	1,521,740	1,521,733	7
Appropriation to school system	107,240	107,237	3
Total expenditures and budgetary appropriations	<u>87,492,479</u>	<u>79,172,548</u>	<u>8,319,931</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(7,438,722)</u>	<u>1,835,420</u>	<u>9,274,142</u>
Other Financing Sources (Uses):			
Transfers to other funds	(2,110,000)	(2,110,000)	-
Installment purchase financing issued	6,955,000	4,549,500	(2,405,500)
Fund balance appropriated	2,593,722	-	(2,593,722)
Total other financing sources (uses)	<u>7,438,722</u>	<u>2,439,500</u>	<u>(4,999,222)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing sources (uses)	<u>\$ -</u>	<u>\$ 4,274,920</u>	<u>\$ 4,274,920</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ 4,274,920	
Depreciation		(1,814,568)	
Debt principal		1,464,113	
Capitalized capital outlay		5,269,852	
Gain (loss) on retirement/transfer of assets		(64,460)	
Rate stabilization/Working capital		3,600,000	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		1,049,438	
Pension expense		(1,118,834)	
Debt issued		(4,549,500)	
Change in net position		<u>\$ 8,110,961</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - GAS OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 21,266,000	\$ 21,390,421	\$ 124,421
Other operating revenue	197,000	143,252	(53,748)
Investment earnings	10,000	92,148	82,148
Total revenues	<u>21,473,000</u>	<u>21,625,821</u>	<u>152,821</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	1,044,610	977,878	66,732
Employee benefits	676,310	637,335	38,975
Natural gas purchases	10,711,000	10,705,249	5,751
Operating expense	6,106,960	5,312,721	794,239
Budgetary appropriations:			
Capital outlay	1,485,000	1,176,292	308,708
Debt services expenditures	243,500	243,429	71
Appropriation to school system	89,370	89,364	6
Total expenditures and budgetary appropriations	<u>20,356,750</u>	<u>19,142,268</u>	<u>1,214,482</u>
Revenues over (under) expenditures	<u>1,116,250</u>	<u>2,483,553</u>	<u>1,367,303</u>
Other Financing Sources (Uses):			
Transfers to other funds	(2,255,000)	(2,245,000)	10,000
Installment purchase financing issued	180,000	115,500	(64,500)
Fund balance appropriated	958,750	-	(958,750)
Total other financing sources (uses)	<u>(1,116,250)</u>	<u>(2,129,500)</u>	<u>(1,013,250)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 354,053</u>	<u>\$ 354,053</u>

**Reconciliation from Budgetary Basis
(Modified Accrual) to Full Accrual Basis:**

Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses	\$ 354,053
Depreciation	(625,181)
Debt principal	241,797
Capitalized capital outlay	1,116,675
Deferred outflows of resources for contributions made to pension plan in current fiscal year	323,901
Pension expense	(337,796)
Debt Issued	<u>(115,500)</u>
Change in net position	<u>\$ 957,949</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS -WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 11,390,000	\$ 10,673,585	\$ (716,415)
Licenses and permits	60,000	30,050	(29,950)
Other operating revenue	226,080	318,423	92,343
Other nonoperating revenue	7,866	28,237	20,371
Grants and subsidies	126,250	-	(126,250)
Investment earnings	18,000	74,555	56,555
Total revenues	<u>11,828,196</u>	<u>11,124,850</u>	<u>(703,346)</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,568,159	1,515,911	52,248
Employee benefits	736,841	736,730	111
Operating expense	3,916,609	3,200,007	716,602
Water services:			
Salaries	788,310	788,310	-
Employee benefits	286,240	249,387	36,853
Operating expense	2,320,184	1,923,294	396,890
Budgetary appropriations:			
Capital outlay	3,116,967	2,079,540	1,037,427
Debt services expenditures	653,240	469,945	183,295
Appropriation to school system	89,370	89,364	6
Total expenditures and budgetary appropriations	<u>13,475,920</u>	<u>11,052,488</u>	<u>2,423,432</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,647,724)</u>	<u>72,362</u>	<u>1,720,086</u>
Other Financing Sources (Uses):			
Transfers to other funds	(445,000)	(445,000)	-
Installment purchase financing issued	600,000	-	(600,000)
Fund balance appropriated	1,492,724	-	(1,492,724)
Total other financing sources (uses)	<u>1,647,724</u>	<u>(445,000)</u>	<u>(2,092,724)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (372,638)</u>	<u>\$ (372,638)</u>
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and budgetary appropriations and other financing uses		\$ (372,638)	
Depreciation		(1,218,123)	
Debt principal		434,887	
Capitalized capital outlay		1,438,797	
Emergency reserve funding		2,800	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		816,229	
Pension expense		<u>(853,520)</u>	
Change in net position		<u>\$ 248,432</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 12,775,000	\$ 12,552,634	\$ (222,366)
Licenses and permits	42,000	60,865	18,865
Other operating revenue	247,750	334,496	86,746
Other nonoperating revenue	2,358	2,118	(240)
Grants and subsidies	149,750	43,626	(106,124)
Investment earnings	26,250	62,560	36,310
Total revenues	<u>13,243,108</u>	<u>13,056,299</u>	<u>(186,809)</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,108,780	1,073,328	35,452
Employee benefits	594,880	587,603	7,277
Operating expense	5,456,351	4,855,571	600,780
Sewer services:			
Salaries	620,870	619,483	1,387
Employee benefits	184,770	183,162	1,608
Operating expense	3,036,865	2,859,154	177,711
Budgetary appropriations:			
Capital outlay	3,146,587	1,273,052	1,873,535
Debt services expenditures	1,254,690	1,208,084	46,606
Appropriation to school system	71,500	71,491	9
Total expenditures and budgetary appropriations	<u>15,475,293</u>	<u>12,730,928</u>	<u>2,744,365</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(2,232,185)</u>	<u>325,371</u>	<u>2,557,556</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	485,000	357,500	(127,500)
Fund balance appropriated	1,747,185	-	(1,747,185)
Total other financing sources (uses)	<u>2,232,185</u>	<u>357,500</u>	<u>(1,874,685)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>\$ 682,871</u>	<u>\$ 682,871</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ 682,871	
Depreciation		(1,830,964)	
Debt principal		1,034,162	
Capitalized capital outlay		693,472	
Emergency reserve funding		500	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		557,109	
Pension expense		(584,131)	
Debt issued		(357,500)	
Change in net position		<u>\$ 195,519</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - STORMWATER MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 4,042,000	\$ 4,031,624	\$ (10,376)
Other operating revenue	42,000	55,920	13,920
Other nonoperating revenue	500	-	(500)
Investment earnings	7,000	19,171	12,171
Total revenues	<u>4,091,500</u>	<u>4,106,715</u>	<u>15,215</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	239,660	197,021	42,639
Employee benefits	71,310	54,948	16,362
Operating expense	581,130	530,273	50,857
Stormwater operations:			
Salaries	1,339,860	1,335,704	4,156
Employee benefits	562,130	455,510	106,620
Operating expense	353,660	323,352	30,308
Budgetary appropriations:			
Capital outlay	1,089,475	120,492	968,983
Debt services expenditures	<u>388,400</u>	<u>383,285</u>	<u>5,115</u>
Total expenditures and budgetary appropriations	<u>4,625,625</u>	<u>3,400,585</u>	<u>1,225,040</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(534,125)</u>	<u>706,130</u>	<u>1,240,255</u>
Other Financing Sources (Uses):			
Transfers from other funds	75,000	75,000	-
Installment purchase financing issued	435,000	436,500	1,500
Fund balance appropriated	<u>24,125</u>	<u>-</u>	<u>(24,125)</u>
Total other financing sources (uses)	<u>534,125</u>	<u>511,500</u>	<u>(22,625)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,217,630</u>	<u>\$ 1,217,630</u>

Reconciliation from Budgetary Basis**(Modified Accrual) to Full Accrual Basis:**

Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses	\$ 1,217,630
Depreciation	(369,160)
Debt principal	370,223
Capitalized capital outlay	75,094
Deferred outflows of resources for contributions made to pension plan in current fiscal year	427,549
Pension expense	(431,295)
Debt issued	<u>(436,500)</u>
Change in net position	<u>\$ 853,541</u>



INTERNAL SERVICE FUNDS

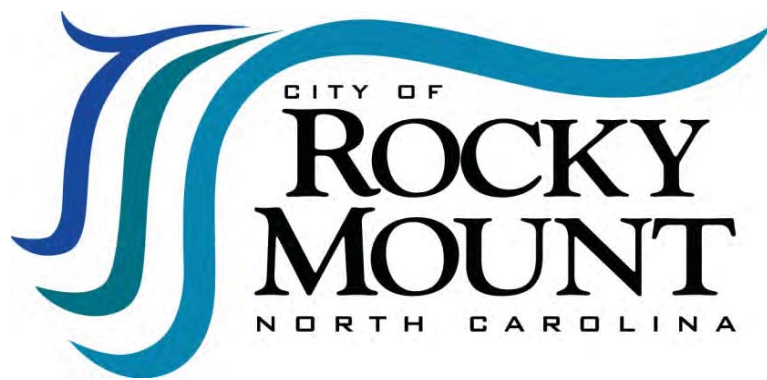
Internal Service funds are used to account for intragovernmental services or any shared type service.

Risk Management Fund

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

Communications Fund

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



CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Risk Management</u>	<u>Communications</u>	<u>Total Internal Service Funds</u>
Assets:			
Current Assets:			
Other	\$ 17,384	\$ -	\$ 17,384
Restricted cash and investments	827,348	1,083,396	1,910,744
Total current assets	844,732	1,083,396	1,928,128
Noncurrent Assets:			
Capital assets, depreciable, net of accumulated depreciation and amortization	-	2,928,927	2,928,927
Total noncurrent assets	-	2,928,927	2,928,927
Total assets	<u>\$ 844,732</u>	<u>\$ 4,012,323</u>	<u>\$ 4,857,055</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenditures	\$ 215,744	\$ 10,174	\$ 225,918
Current accrued compensated absences	-	8,223	8,223
Current maturities of long-term debt	-	145,444	145,444
Total current liabilities	215,744	163,841	379,585
Noncurrent Liabilities:			
Accrued compensated absences	-	2,408	2,408
Total noncurrent liabilities	-	2,408	2,408
Total liabilities	215,744	166,249	381,993
Net Position:			
Net investment in capital assets	-	2,783,483	2,783,483
Unrestricted	628,988	1,062,591	1,691,579
Total net position	<u>\$ 628,988</u>	<u>\$ 3,846,074</u>	<u>\$ 4,475,062</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2017

	Risk Management	Communications	Total Internal Service Funds
Operating Revenues:			
Insurance premiums	\$ 8,750,220	\$ -	\$ 8,750,220
User charges	-	1,106,509	1,106,509
Total operating revenues	<u>8,750,220</u>	<u>1,106,509</u>	<u>9,856,729</u>
Operating Expenses:			
Current:			
Insurance claims	7,071,574	-	7,071,574
Cost of service and administration	2,085,888	-	2,085,888
Communications	-	733,917	733,917
Depreciation and amortization	-	139,530	139,530
Total operating expenses	<u>9,157,462</u>	<u>873,447</u>	<u>10,030,909</u>
Operating income (loss)	<u>(407,242)</u>	<u>233,062</u>	<u>(174,180)</u>
Nonoperating Revenues (Expenses)			
Investment earnings	-	51	51
Gain (loss) on disposal of capital assets	-	-	-
Interest expense	-	(2,489)	(2,489)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(2,438)</u>	<u>(2,438)</u>
Net change in net position	(407,242)	230,624	(176,618)
Net Position:			
Beginning of year - July 1	<u>1,036,230</u>	<u>3,615,450</u>	<u>4,651,680</u>
End of year - June 30	<u>\$ 628,988</u>	<u>\$ 3,846,074</u>	<u>\$ 4,475,062</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

Schedule G-3

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	Risk Management	Communications	Total Internal Service Funds
Cash Flows From Operating Activities:			
Receipts from customers	\$ 8,853,023	\$ 1,106,509	\$ 9,959,532
Payments to suppliers for goods and services	(9,030,329)	(544,499)	(9,574,828)
Payments to or on behalf of employees	-	(193,454)	(193,454)
Net cash provided (used) by operating activities	<u>(177,306)</u>	<u>368,556</u>	<u>191,250</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(1,785,604)	(1,785,604)
Interest paid	-	(2,489)	(2,489)
Principal payments on long-term debt	-	(158,667)	(158,667)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,946,760)</u>	<u>(1,946,760)</u>
Cash Flows From Investing Activities:			
Investment earnings	-	51	51
Net cash provided (used) by investing activities	<u>-</u>	<u>51</u>	<u>51</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>(177,306)</u>	<u>(1,578,153)</u>	<u>(1,755,459)</u>
Cash and Cash Equivalents/Investments:			
Beginning of year, July 1	<u>1,004,654</u>	<u>2,661,549</u>	<u>3,666,203</u>
End of year, June 30	<u>\$ 827,348</u>	<u>\$ 1,083,396</u>	<u>\$ 1,910,744</u>
Cash and cash equivalents/investments	\$ -	\$ -	\$ -
Restricted cash and investments	<u>827,348</u>	<u>1,083,396</u>	<u>1,910,744</u>
	<u>\$ 827,348</u>	<u>\$ 1,083,396</u>	<u>\$ 1,910,744</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ (407,242)	\$ 233,062	\$ (174,180)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and amortization	-	139,530	139,530
Change in Assets and Liabilities:			
(Increase) decrease in receivables and assessments	102,803	-	102,803
Increase (decrease) in accounts payable and accrued expenses	127,133	(3,370)	123,763
Increase (decrease) in accrued compensated absences and other accrued liabilities	<u>-</u>	<u>(666)</u>	<u>(666)</u>
Net cash provided (used) by operating activities	<u>\$ (177,306)</u>	<u>\$ 368,556</u>	<u>\$ 191,250</u>

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

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, 2017

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Insurance premiums	\$ 7,600,000	\$ 8,750,220	\$ 1,150,220
Expenditures:			
Insurance claims	7,600,000	7,071,574	528,426
Administrative fees	-	2,085,888	(2,085,888)
Total expenditures	<u>7,600,000</u>	<u>9,157,462</u>	<u>(1,557,462)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (407,242)</u>	<u>\$ (407,242)</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

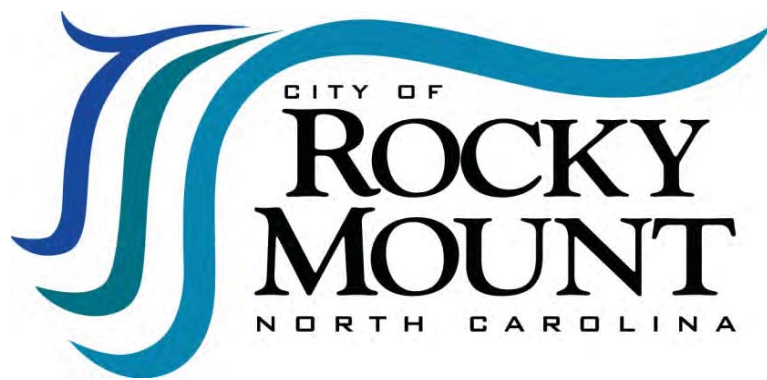
INTERNAL SERVICE FUND- COMMUNICATIONS
 SCHEDULE OF REVENUES AND EXPENDITURES
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
User charges	\$ 1,508,370	\$ 1,106,509	\$ (401,861)
Investment earnings	-	51	51
Total revenues	<u>1,508,370</u>	<u>1,106,560</u>	<u>(401,810)</u>
Expenditures:			
Salaries	152,710	152,648	62
Employee benefits	41,260	40,140	1,120
Operating expense	584,850	527,910	56,940
Capital outlay	3,035,979	1,798,823	1,237,156
Debt services expenditures	<u>161,300</u>	<u>161,156</u>	<u>144</u>
Total expenditures	<u>3,976,099</u>	<u>2,680,677</u>	<u>1,295,422</u>
Revenues over (under) expenditures	<u>(2,467,729)</u>	<u>(1,574,117)</u>	<u>893,612</u>
Other Financing Sources (Uses):			
Fund balance appropriated	<u>2,467,729</u>	<u>-</u>	<u>2,467,729</u>
Total other financing sources (uses)	<u>2,467,729</u>	<u>-</u>	<u>2,467,729</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,574,117)</u>	<u>\$ (1,574,117)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other financing uses		\$ (1,574,117)	
Depreciation		(139,530)	
Debt principal		158,667	
Capitalized capital outlay		1,785,604	
Change in net position		<u>\$ 230,624</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
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

Community Development and Governmental Activities Fund:	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Assets:				
Cash and cash equivalents/investments	\$ 664,671	\$ 158,089	\$ 200,143	\$ 622,617
Total assets	<u>\$ 664,671</u>	<u>\$ 158,089</u>	<u>\$ 200,143</u>	<u>\$ 622,617</u>
Liabilities:				
Accounts payable	\$ 190	\$ -	\$ 190	\$ -
Due to other governmental agency	<u>664,481</u>	<u>158,089</u>	<u>199,953</u>	<u>622,617</u>
Total liabilities	<u>\$ 664,671</u>	<u>\$ 158,089</u>	<u>\$ 200,143</u>	<u>\$ 622,617</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, 2017

Year	Uncollected Balance 6/30/2016	Additions and Refunds	Collections and Credits	Uncollected Balance 6/30/2017
2016-2017	\$ -	\$ 24,554,671	\$ 23,836,350	\$ 718,321
2015-2016	731,869	74	199,407	532,536
2014-2015	501,297	1,498	90,652	412,143
2013-2014	448,726	-	48,413	400,313
2012-2013	387,353	-	32,549	354,804
2011-2012	325,917	-	27,838	298,078
2010-2011	274,101	18	18,745	255,374
2009-2010	239,519	82	13,794	225,806
2008-2009	201,610	-	7,745	193,865
2007-2008	177,362	-	7,543	169,819
2006-2007	166,535	8	88,360	78,183
2005-2006	60,838	-	47,700	13,138
2004-2005	16,998	-	16,998	-
	<u>\$ 3,532,124</u>	<u>\$ 24,556,351</u>	<u>\$ 24,436,094</u>	<u>3,652,381</u>
Allowance for uncollectible ad valorem taxes receivable				<u>(2,178,867)</u>
Ad valorem taxes receivable, net				<u>\$ 1,473,514</u>
Reconciliation with Revenue:				
Taxes				\$24,494,306
Penalties and interest				<u>(200,943)</u>
Total				<u>\$24,293,363</u>
Ad valorem taxes (excluding penalties and interest)				
Current year				23,868,962
Prior years				<u>424,401</u>
Total				24,293,363
Releases and transfers from interest				45,207
Other				<u>97,524</u>
Total collections and credits				<u>\$ 24,436,094</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2017

				Total Levy	
	Property Valuation	Tax Rate Per \$100 Valuation	Tax Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 3,068,503,511	0.605	\$ 18,564,450	\$ 18,564,450	\$ -
Personal property	882,841,984	0.605	5,341,195	3,026,104	2,315,091
Public service property	82,147,862	0.605	496,995	496,995	-
	4,033,493,357		24,402,640	22,087,549	2,315,091
Discoveries	1,088,870	0.55	5,989	5,989	-
Discoveries	3,050,182	0.58	17,691	17,691	-
Discoveries	13,593,645	0.605	82,242	82,242	-
Refunds	7,621,408	0.605	46,110	46,110	-
Total property valuation	\$ 4,058,847,462				
Net levy			24,554,671	22,239,580	2,315,091
Uncollected taxes at June 30, 2017			718,321	713,349	4,972
Current year's taxes collected			\$ 23,836,350	\$ 21,526,231	\$ 2,310,119
Percent of current year taxes collected			97.07%	96.79%	99.79%

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF INTERFUND TRANSFERS FOR THE YEAR ENDED JUNE 30, 2017

Transfers from Fund:				
Transfers to Fund:	General Fund	Special Revenue Funds	Capital Project Funds	General Capital Development Projects Fund
General/Powell Bill	\$ 666,956	\$ 480,000	\$ -	\$ 16,649,800
Stormwater	75,000			
Capital Project Funds:				
General Capital Projects	283,000			
Capital Development	1,426,270		125,000	
Special Revenue:				
Entitlement Grants	50,000			
Public Transportation	270,521			
Crime/Safety Control	54,903			
Total	\$ 2,826,650	\$ 480,000	\$ 125,000	\$ 16,649,800

CITY OF ROCKY MOUNT, NORTH CAROLINA

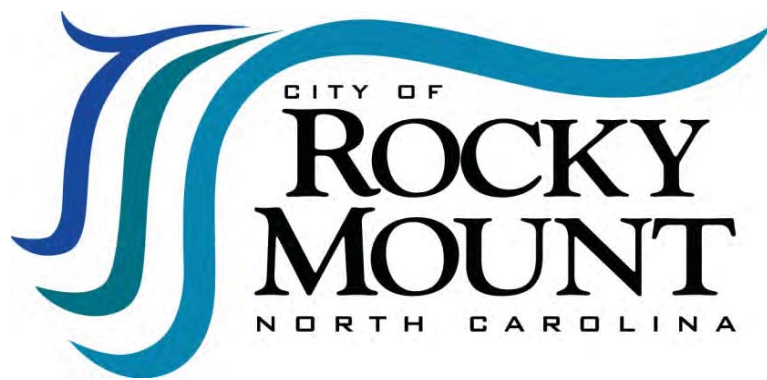
Schedule I-3

**SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2017**

Transfers from Fund:

Enterprise Funds

Transfers to Fund:	Electric	Gas	Water	Total
General	\$ 2,110,000	\$ 2,245,000	\$ 445,000	\$ 22,596,756
Stormwater				75,000
Capital Project Funds:				
General Capital Projects				283,000
Capital Development				1,551,270
Special Revenue:				
Entitlement Grants				50,000
Public Transportation				270,521
Crime/Safety Control				54,903
Total	<u>\$ 2,110,000</u>	<u>\$ 2,245,000</u>	<u>\$ 445,000</u>	<u>\$ 24,881,450</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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Governmental Fund Capital Assets:		
Land and land improvements	\$ 29,694,928	\$ 27,403,175
Buildings	61,354,900	60,975,951
Equipment	56,317,219	49,470,223
Infrastructure	57,230,981	56,596,426
Construction in progress	<u>47,510</u>	<u>1,532,120</u>
Total governmental funds capital assets	<u><u>\$ 204,645,538</u></u>	<u><u>\$ 195,977,895</u></u>
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 196,968,575	\$ 191,129,798
Special revenue funds	<u>7,676,963</u>	<u>4,848,097</u>
Total governmental funds capital assets	<u><u>\$ 204,645,538</u></u>	<u><u>\$ 195,977,895</u></u>

Note: Amounts presented above exclude accumulated depreciation.

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY JUNE 30, 2017

	Land and Land Improvements	Buildings	Equipment
General Government:			
Mayor and Council	\$ 2,366,797	\$ -	\$ 7,169
City Clerk	2,378,317	142,691	38,104
City Manager	2,386,798	17,238	246,514
Finance	-	101,401	4,110,074
Central services	1,031,926	24,044,985	4,628,842
Human resources	-	5,229	12,997
Total general government	<u>8,163,838</u>	<u>24,311,544</u>	<u>9,043,700</u>
Transit	<u>-</u>	<u>97,128</u>	<u>7,579,835</u>
Public Safety:			
Police	51,590	512,885	5,390,936
Fire	<u>59,349</u>	<u>5,799,615</u>	<u>9,022,102</u>
Total public safety	<u>110,939</u>	<u>6,312,500</u>	<u>14,413,038</u>
Public works	<u>773,122</u>	<u>4,612,174</u>	<u>14,350,620</u>
Engineering	<u>1,382,648</u>	<u>173,206</u>	<u>1,020,569</u>
Parks and recreation	<u>19,256,681</u>	<u>25,750,150</u>	<u>5,750,234</u>
Internal Service Fund - Communications	<u>7,700</u>	<u>98,198</u>	<u>4,159,223</u>
Total general capital assets	<u>\$ 29,694,928</u>	<u>\$ 61,354,900</u>	<u>\$ 56,317,219</u>

Note: Amounts presented above exclude accumulated depreciation.

Schedule J-2

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,373,966
-	-	2,559,112
-	-	2,650,550
-	-	4,211,475
762,487	-	30,468,240
-	-	18,226
<u>762,487</u>	<u>-</u>	<u>42,281,569</u>
 -	 -	 7,676,963
 59,863	 -	 6,015,274
<u>-</u>	<u>-</u>	<u>14,881,066</u>
<u>59,863</u>	<u>-</u>	<u>20,896,340</u>
 55,190,281	 47,510	 74,973,707
<u>-</u>	<u>-</u>	<u>2,576,423</u>
 1,106,425	 -	 51,863,490
<u>111,925</u>	<u>-</u>	<u>4,377,046</u>
<u>\$ 57,230,981</u>	<u>\$ 47,510</u>	<u>\$ 204,645,538</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, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
General Government:				
Mayor and Council	\$ 2,373,966	\$ -	\$ -	\$ 2,373,966
City Clerk	2,502,511	457,930	401,329	2,559,112
City Manager	1,010,077	2,258,023	617,550	2,650,550
Finance	3,574,034	783,999	146,558	4,211,475
Central services	30,296,493	182,348	10,601	30,468,240
Human resources	18,226	-	-	18,226
Total general government	<u>39,775,307</u>	<u>3,682,300</u>	<u>1,176,038</u>	<u>42,281,569</u>
Transit	<u>4,848,096</u>	<u>3,061,337</u>	<u>232,470</u>	<u>7,676,963</u>
Public Safety:				
Police	6,145,518	379,892	510,136	6,015,274
Fire	<u>15,014,551</u>	<u>126,903</u>	<u>260,388</u>	<u>14,881,066</u>
Total public safety	<u>21,160,070</u>	<u>506,795</u>	<u>770,524</u>	<u>20,896,340</u>
Public works	<u>73,653,477</u>	<u>2,909,342</u>	<u>1,589,112</u>	<u>74,973,707</u>
Engineering	<u>2,497,450</u>	<u>124,262</u>	<u>45,289</u>	<u>2,576,423</u>
Parks and recreation	<u>51,452,059</u>	<u>1,330,758</u>	<u>919,327</u>	<u>51,863,490</u>
Internal Service Fund-Communications	<u>2,591,437</u>	<u>1,785,608</u>	<u>-</u>	<u>4,377,045</u>
Total general fixed assets	<u>\$ 195,977,897</u>	<u>\$ 13,400,402</u>	<u>\$ 4,732,760</u>	<u>\$ 204,645,538</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 POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities					
Net investment in capital assets	\$ 82,173,537	\$ 85,043,747	\$ 86,143,086	\$ 90,345,292	\$ 94,306,305
Restricted	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949
Unrestricted	26,804,792	20,930,383	17,374,814	11,714,287	4,972,591
Total governmental activities net position	<u>\$ 111,347,407</u>	<u>\$ 109,913,653</u>	<u>\$ 107,125,917</u>	<u>\$ 111,502,500</u>	<u>\$ 116,481,845</u>
Business-type activities					
Net investment in capital assets	\$ 109,732,430	\$ 115,049,746	\$ 120,173,718	\$ 123,694,316	\$ 127,857,818
Restricted	-	-	-	-	-
Unrestricted	27,990,145	28,525,650	34,419,807	36,869,650	35,229,343
Total business-type activities	<u>\$ 137,722,575</u>	<u>\$ 143,575,396</u>	<u>\$ 154,593,525</u>	<u>\$ 160,563,966</u>	<u>\$ 163,087,161</u>
Primary government					
Net investment in capital assets	\$ 191,905,967	\$ 200,093,493	\$ 206,316,804	\$ 214,039,608	\$ 222,164,123
Restricted	2,369,078	3,939,523	3,608,017	9,442,921	17,202,949
Unrestricted	54,794,937	49,456,033	51,794,621	48,583,937	40,201,934
Total governmental activities net position	<u>\$ 249,069,982</u>	<u>\$ 253,489,049</u>	<u>\$ 261,719,442</u>	<u>\$ 272,066,466</u>	<u>\$ 279,569,006</u>
City of Rocky Mount Theatre, LLC					
Net investment in capital assets	\$ 898,194	\$ 672,079	\$ 441,663	\$ 258,691	\$ 48,101
Restricted	139,451	106,414	73,468	40,522	7,576
Unrestricted	100	100	100	(47,344)	(67,170)
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ 1,037,745</u>	<u>\$ 778,593</u>	<u>\$ 515,231</u>	<u>\$ 251,869</u>	<u>\$ (11,493)</u>

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

Notes: Data is presented for FY2013 with GASB statement 63 implementation, Net assets is now Net position.

Data is presented for FY2013 with GASB statement 63 implementation, Net investment in Capital assets replaces Invested in Capital assets, net of related debt.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities					
Net investment in capital assets	\$ 93,284,378	\$ 101,937,388	\$ 96,137,124	\$ 99,725,082	\$ 81,540,859
Restricted	14,204,158	11,415,537	11,808,330	11,099,682	13,193,796
Unrestricted	11,002,491	14,645,780	14,213,439	17,989,713	30,839,119
Total governmental activities net position	<u>\$ 118,491,027</u>	<u>\$ 127,998,705</u>	<u>\$ 122,158,893</u>	<u>\$ 128,814,477</u>	<u>\$ 125,573,774</u>
Business-type activities					
Net investment in capital assets	\$ 129,112,028	\$ 131,834,630	\$ 132,597,894	\$ 134,594,908	\$ 136,435,853
Restricted	-	-	-	-	-
Unrestricted	40,230,619	45,598,769	51,243,421	60,342,541	68,867,998
Total business-type activities	<u>\$ 169,342,647</u>	<u>\$ 177,433,399</u>	<u>\$ 183,841,315</u>	<u>\$ 194,937,449</u>	<u>\$ 205,303,851</u>
Primary government					
Net investment in capital assets	\$ 222,396,406	\$ 233,772,018	\$ 228,735,018	\$ 234,319,990	\$ 217,976,712
Restricted	14,204,158	11,415,537	11,808,330	11,099,682	13,193,796
Unrestricted	51,233,110	60,244,549	65,456,860	78,332,254	99,707,117
Total governmental activities net position	<u>\$ 287,833,674</u>	<u>\$ 305,432,104</u>	<u>\$ 306,000,208</u>	<u>\$ 323,751,926</u>	<u>\$ 330,877,625</u>
City of Rocky Mount Theatre, LLC					
Net investment in capital assets	\$ 6,336,511	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	(137,067)	-	-	-	-
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ 6,199,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 6,637,786	\$ 6,710,733	\$ 7,092,390	\$ 5,865,807	\$ 2,541,551
Public safety	21,873,680	23,102,694	24,944,618	25,816,170	25,859,954
Public Works	8,722,496	8,858,447	8,996,638	7,197,559	9,825,999
Engineering	1,139,983	941,982	658,083	186,997	811,304
Parks and recreation	7,844,487	8,148,677	8,799,437	9,117,886	9,487,899
Public Service	5,629,301	6,349,205	11,884,227	9,368,808	10,161,005
Emergency management	-	-	-	-	5,418,215
Economic development	-	-	-	-	-
Community revitalization	1,948,078	2,800,689	3,585,679	4,422,615	2,170,571
Interest on Long-term debt	487,768	488,393	444,084	292,268	492,656
Total governmental activities expenses	54,283,578	57,400,820	66,405,156	62,268,110	66,769,154
Business-type activities:					
Electric	78,733,182	87,251,619	90,363,924	92,056,649	88,705,142
Gas	25,544,219	25,635,724	21,822,518	22,445,683	18,345,011
Water	8,715,519	9,793,758	9,005,997	9,191,247	9,328,711
Sewer	9,367,159	10,035,368	10,783,556	10,884,607	11,091,914
Storm Water Management	2,911,282	2,869,969	2,939,442	3,078,951	3,352,683
Total business-type activities expenses	125,271,361	135,586,437	134,915,437	137,657,137	130,823,461
Total primary government expenses	\$ 179,554,939	\$ 192,987,257	\$ 201,320,593	\$ 199,925,247	\$ 197,592,615
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,319,466	\$ 1,678,291	\$ 1,799,924	\$ 1,834,638	\$ 2,117,227
Public Safety	404,249	334,178	321,163	311,960	295,173
Public Works	6,027,232	5,994,818	5,981,055	6,083,367	6,820,948
Recreation	924,160	1,057,313	1,126,057	1,199,165	1,197,659
Public Service	1,598,478	1,577,139	1,984,204	2,189,132	2,001,241
Other activities	14,692	9,934	14,131	12,018	43,794
Operating grants and contributions	5,751,657	6,435,865	8,013,552	8,382,242	12,126,643
Capital grants and contributions	2,813,051	1,313,359	4,796,852	5,038,384	5,408,019
Total governmental activities program revenues	19,852,985	18,400,897	24,036,938	25,050,906	30,010,704
Business-type activities:					
Charges for services:					
Electric	83,286,304	90,529,005	94,204,551	96,022,707	89,632,663
Gas	28,547,960	29,689,679	25,025,210	24,079,519	19,574,918
Water	9,294,113	9,271,691	11,257,530	11,716,075	10,385,580
Sewer	10,245,779	10,641,539	11,924,944	11,817,647	11,768,570
Storm Water Management	2,691,342	2,918,743	2,933,755	3,352,106	3,603,852
Operating grants and contributions	-	-	6,102	2,500	2,916
Capital grants and contributions	-	105,536	2,651,892	725,186	1,225,693
Total business-type activities program revenues	134,065,498	143,156,193	148,003,984	147,715,740	136,194,192
Total primary government program revenues	\$ 153,918,483	\$ 161,557,090	\$ 172,040,922	\$ 172,766,646	\$ 166,204,896
Net (expense)/revenue					
Governmental activities	\$ (34,430,593)	\$ (38,999,923)	\$ (42,368,218)	\$ (37,217,204)	\$ (36,758,450)
Business-type activities	8,794,137	7,569,756	13,088,547	10,058,603	5,370,731
Total primary government net expense	\$ (25,636,456)	\$ (31,430,167)	\$ (29,279,671)	\$ (27,158,601)	\$ (31,387,719)
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	\$ (263,362)	\$ (280,562)	\$ (268,927)	\$ (268,936)	\$ (268,946)
Investment earnings	-	-	-	-	-
Operating grants and contributions	6,581	21,410	5,565	5,574	5,584
Total City of Rocky Mount Theatre, LLC	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	\$ 18,188,521	\$ 19,499,709	\$ 21,558,895	\$ 21,528,800	\$ 21,778,008
Local option taxes	10,092,744	9,436,526	8,916,046	8,961,679	9,371,996
Other taxes	3,383,805	3,749,239	3,844,700	3,855,023	3,819,472
Investment earnings	980,278	436,902	122,011	86,433	70,341
Miscellaneous	2,618,315	1,793,793	2,335,138	2,601,852	3,631,978
Transfers	2,830,090	2,650,000	2,803,692	4,560,000	3,066,000
Total governmental activities	38,093,753	37,566,169	39,580,482	41,593,787	41,737,795
Business-type activities					
Investment earnings	1,274,137	933,065	733,274	471,838	218,464
Transfers	(2,830,090)	(2,650,000)	(2,803,692)	(4,560,000)	(3,066,000)
Total business-type activities	(1,555,953)	(1,716,935)	(2,070,418)	(4,088,162)	(2,847,536)
Total primary government	\$ 36,537,800	\$ 35,849,234	\$ 37,510,064	\$ 37,505,625	\$ 38,890,259
Change in Net Position					
Governmental activities	\$ 3,663,160	\$ (1,433,754)	\$ (2,787,736)	\$ 4,376,583	\$ 4,979,345
Business-type activities	7,238,184	5,852,821	11,018,129	5,970,441	2,523,195
Total primary government	\$ 10,901,344	\$ 4,419,067	\$ 8,230,393	\$ 10,347,024	\$ 7,502,540
Total City of Rocky Mount Theatre, LLC	\$ (256,781)	\$ (259,152)	\$ (263,362)	\$ (263,362)	\$ (263,362)

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

Notes: Data is presented for FY2013 with GASB statement 63 implementation, Net assets is now Net position.

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 6,880,948	\$ 9,044,265	\$ 4,615,284	\$ 5,737,117	\$ 4,246,118
Public safety	24,923,980	25,449,659	25,597,650	26,975,314	29,086,467
Public Works	8,109,154	9,453,179	10,706,055	8,077,219	9,728,894
Engineering	915,057	814,945	583,199	932,529	886,679
Parks and recreation	9,747,554	1,587,287	8,938,049	9,977,191	16,248,923
Public Service	7,798,940	5,951,988	5,997,352	8,562,021	6,358,027
Emergency management	-	-	-	-	-
Economic development	-	18,735	136,816	31,056	41,392
Community revitalization	2,212,833	860,152	699,439	1,884,490	1,588,747
Interest on Long-term debt	431,995	621,151	448,397	444,951	843,423
Total governmental activities expenses	61,020,461	53,801,361	57,722,241	62,621,888	69,028,670
Business-type activities:					
Electric	88,899,652	89,711,665	87,658,326	69,017,466	70,787,007
Gas	19,418,313	21,752,958	21,526,874	20,071,951	18,422,872
Water	8,827,886	7,709,102	10,170,488	10,065,328	10,431,418
Sewer	11,157,497	13,223,459	13,050,143	12,673,511	12,860,780
Storm Water Management	3,243,887	3,618,378	3,342,760	3,348,865	3,328,174
Total business-type activities expenses	131,547,235	136,015,562	135,748,591	115,177,121	115,830,251
Total primary government expenses	\$ 192,567,696	\$ 189,816,923	\$ 193,470,832	\$ 177,799,009	\$ 184,858,921
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,229,303	\$ 1,941,273	\$ 1,775,761	\$ 4,832,656	\$ 864,670
Public Safety	341,203	265,988	353,021	327,997	375,369
Public Works	6,485,381	6,851,520	6,615,262	6,690,067	6,798,518
Recreation	1,254,131	1,389,363	1,321,850	1,360,969	1,246,085
Public Service	2,023,260	1,985,842	2,022,601	2,014,616	2,540,841
Other activities	31,051	15,959	11,956	34,578	3,608
Operating grants and contributions	6,759,477	7,407,188	5,373,671	6,766,148	6,343,215
Capital grants and contributions	2,209,611	1,015,333	762,051	718,009	3,332,477
Total governmental activities program revenues	21,333,417	20,872,466	18,236,173	22,745,040	21,504,783
Business-type activities:					
Charges for services:					
Electric	91,591,100	93,835,654	93,130,224	81,661,205	80,722,623
Gas	23,315,073	26,655,662	27,193,682	20,390,319	21,533,673
Water	10,349,229	10,991,423	10,953,543	11,348,246	11,050,295
Sewer	11,772,500	11,957,654	12,063,032	12,848,730	12,950,113
Storm Water Management	3,418,192	3,505,458	4,096,545	4,068,312	4,087,544
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	70,927	29,000	-	-	94,658
Total business-type activities program revenues	140,517,021	146,974,851	147,437,026	130,316,812	130,438,906
Total primary government program revenues	\$ 161,850,438	\$ 167,847,317	\$ 165,673,199	\$ 153,061,852	\$ 151,943,689
Net (expense)/revenue					
Governmental activities	\$ (39,687,044)	\$ (32,928,895)	\$ (39,486,068)	\$ (39,876,848)	\$ (47,523,887)
Business-type activities	8,969,786	10,959,289	11,688,435	15,139,691	14,608,655
Total primary government net expense	\$ (30,717,258)	\$ (21,969,606)	\$ (27,797,633)	\$ (24,737,157)	\$ (32,915,232)
Component unit:					
City of Rocky Mount Theatre, LLC					
Expenses	\$ (241,435)	\$ (8,143,974)	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Operating grants and contributions	6,504,000	1,944,530	-	-	-
Total City of Rocky Mount Theatre, LLC	\$ 6,262,565	\$ (6,199,444)	\$ -	\$ -	\$ -
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	\$ 22,965,276	\$ 23,435,908	\$ 23,283,987	\$ 24,034,407	\$ 24,460,822
Local option taxes	9,158,432	9,271,192	9,979,384	10,455,857	11,355,472
Other taxes	3,759,181	3,672,642	4,257,262	4,752,948	4,703,361
Investment earnings	129,915	65,120	63,732	106,992	440,160
Miscellaneous	2,104,003	3,024,711	5,028,768	2,946,466	2,996,049
Transfers	3,579,419	2,967,000	3,660,250	4,235,762	4,725,000
Total governmental activities	41,696,226	42,436,573	46,273,383	46,532,432	48,680,864
Business-type activities					
Investment earnings	865,119	98,463	92,516	192,205	482,747
Transfers	(3,579,419)	(2,967,000)	(3,660,250)	(4,235,762)	(4,725,000)
Total business-type activities	(2,714,300)	(2,868,537)	(3,567,734)	(4,043,557)	(4,242,253)
Total primary government	\$ 38,981,926	\$ 39,568,036	\$ 42,705,649	\$ 42,488,875	\$ 44,438,611
Change in Net Position					
Governmental activities	\$ 2,009,182	\$ 9,507,678	\$ 6,787,315	\$ 6,655,584	\$ 1,156,977
Business-type activities	6,255,486	8,090,752	8,120,701	11,096,134	10,366,402
Total primary government	\$ 8,264,668	\$ 17,598,430	\$ 14,908,016	\$ 17,751,718	\$ 11,523,379
Total City of Rocky Mount Theatre, LLC	\$ 6,262,565	\$ (6,199,444)	\$ -	\$ -	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

modified accrual basis of accounting

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Reserved	\$ 11,131,999	\$ 10,118,081	\$ 10,398,801	\$ -	\$ -
Unreserved	15,165,835	13,750,586	11,765,250	-	-
Nonspendable	-	-	-	355,546	383,732
Restricted	-	-	-	8,455,455	12,485,342
Assigned	-	-	-	1,433,525	963,473
Unassigned	-	-	-	8,700,100	6,987,165
Total General Fund	<u>\$ 26,297,834</u>	<u>\$ 23,868,667</u>	<u>\$ 22,164,051</u>	<u>\$ 18,944,626</u>	<u>\$ 20,819,712</u>
All other governmental funds					
Reserved	\$ 730,296	\$ 393,710	\$ 63,546	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	1,336,395	1,836,760	2,310,853	-	-
Capital projects funds	947,958	2,616,371	1,677,341	-	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	100,000	128,890
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:					
Capital projects funds	-	-	-	790,196	841,164
Unassigned, reported in:					
Special revenue funds	-	-	-	(124,272)	(1,726,390)
Capital projects funds	-	-	-	-	(1,485,179)
Total all other governmental funds	<u>\$ 3,014,649</u>	<u>\$ 4,846,841</u>	<u>\$ 4,051,740</u>	<u>\$ 7,002,094</u>	<u>\$ 4,537,260</u>
 Total governmental funds	 <u>\$ 29,312,483</u>	 <u>\$ 28,715,508</u>	 <u>\$ 26,215,791</u>	 <u>\$ 25,946,720</u>	 <u>\$ 25,356,972</u>

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

Notes: Data beginning FY2011, GASB statement 54 was implemented for fund balance categories.

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

modified accrual basis of accounting

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	404,514	490,108	433,469	405,755	17,037,600
Restricted	11,306,879	11,284,591	11,214,768	11,354,780	11,801,938
Assigned	2,429,395	2,700,083	1,355,673	1,786,573	3,355,341
Unassigned	9,928,645	12,321,582	13,640,541	13,739,204	15,058,082
Total General Fund	<u>\$ 24,069,433</u>	<u>\$ 26,796,364</u>	<u>\$ 26,644,451</u>	<u>\$ 27,286,312</u>	<u>\$ 47,252,961</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable, reported in:					
Special revenue funds	99,000	99,000	99,000	260,000	16,989,800
Restricted, reported in:					
Special revenue funds	1,908,066	1,592,589	1,259,277	1,438,274	2,147,811
Capital projects funds	989,213	1,127,925	2,204,394	792,144	17,186,740
Committed, reported in:					
Special revenue funds	923,526	430,111	574,086	285,493	171,100
Capital projects funds	249,515	266,215	207,522	383,770	1,626,320
Assigned, reported in:					
Capital projects funds	911,610	541,010	881,740	-	-
Unassigned, reported in:					
Special revenue funds	(459,160)	(75,353)	(135,664)	(181,120)	(61,850)
Capital projects funds	-	-	-	(100,445)	(16,749,075)
Total all other governmental funds	<u>\$ 4,621,770</u>	<u>\$ 3,981,497</u>	<u>\$ 5,090,355</u>	<u>\$ 2,878,116</u>	<u>\$ 21,310,846</u>
Total governmental funds	<u>\$ 28,691,203</u>	<u>\$ 30,777,861</u>	<u>\$ 31,734,806</u>	<u>\$ 30,164,428</u>	<u>\$ 68,563,807</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Ad valorem taxes	\$ 17,911,751	\$ 19,410,649	\$ 21,415,865	\$ 21,337,096	\$ 21,939,984
Intergovernmental revenues	22,735,263	22,209,500	23,808,794	25,081,411	27,109,946
Licenses and permits	1,065,569	950,558	948,416	883,621	921,813
Sales and services	7,088,107	7,442,379	7,680,531	7,777,765	8,487,008
Investment earnings	980,278	436,902	122,011	86,433	70,342
Contributions	-	-	-	-	-
Project revenue	2,240,943	2,369,044	2,703,369	3,346,505	7,571,153
Miscellaneous	1,839,066	1,311,417	4,081,824	3,355,682	1,199,455
Total revenues	<u>53,860,977</u>	<u>54,130,449</u>	<u>60,760,810</u>	<u>61,868,513</u>	<u>67,299,701</u>
Expenditures					
Current:					
General government	5,443,209	5,752,575	6,156,042	5,856,442	5,107,954
Public safety	21,299,722	22,687,684	24,825,635	25,204,655	25,460,672
Public service	3,801,544	4,801,568	5,186,371	8,142,128	5,328,963
Public works	8,749,217	10,339,464	9,127,316	10,684,706	10,459,006
Engineering	1,139,983	1,176,520	983,839	974,241	970,091
Parks and recreation	6,834,700	7,160,670	7,634,255	7,939,785	8,328,491
Economic development	-	-	-	-	-
Community revitalization	1,948,078	2,645,895	3,573,194	4,422,615	2,170,571
Emergency management	-	-	-	-	5,418,215
Capital projects:					
General government	25,000	252,543	56,045	801,837	711,148
Public safety	99,006	856,699	558,465	1,099,129	43,487
Parks and recreation	1,907,827	861,726	675,657	274,414	134,851
Public service	1,644,876	1,346,759	6,418,173	1,478,933	4,781,240
Community revitalization	-	154,794	12,485	-	-
Debt service:					
Principal	2,247,878	2,979,134	3,202,319	2,980,771	2,803,104
Interest	487,768	488,393	444,084	292,268	492,656
Total expenditures	<u>\$ 55,628,808</u>	<u>\$ 61,504,424</u>	<u>\$ 68,853,880</u>	<u>\$ 70,151,924</u>	<u>\$ 72,210,449</u>
Excess of revenues over (under) expenditures	(1,767,831)	(7,373,975)	(8,093,070)	(8,283,411)	(4,910,748)
Other financing sources (uses)					
Transfers in	6,233,811	4,863,050	4,132,894	7,157,151	4,827,886
Transfers out	(3,365,371)	(2,213,050)	(1,329,202)	(1,849,151)	(1,761,886)
Bond premium/discount	-	-	-	-	-
Debt financing	-	1,305,000	1,084,661	410,339	-
Proceeds from installment purchase agreement	1,586,000	2,822,000	1,705,000	2,296,000	1,255,000
Total other financing sources (uses)	<u>4,454,440</u>	<u>6,777,000</u>	<u>5,593,353</u>	<u>8,014,339</u>	<u>4,321,000</u>
Net change in fund balance	<u>\$ 2,686,609</u>	<u>\$ (596,975)</u>	<u>\$ (2,499,717)</u>	<u>\$ (269,072)</u>	<u>\$ (589,748)</u>
Total debt service	<u>\$ 2,735,646</u>	<u>\$ 3,467,527</u>	<u>\$ 3,646,403</u>	<u>\$ 3,273,039</u>	<u>\$ 3,295,760</u>
Total expenditures	55,628,808	61,504,424	68,853,880	70,151,924	72,210,449
Capital outlay primary government only	4,528,713	6,945,548	5,588,437	10,401,869	8,523,259
Non-capital expenditures	<u>\$ 51,100,095</u>	<u>\$ 54,558,876</u>	<u>\$ 63,265,443</u>	<u>\$ 59,750,055</u>	<u>\$ 63,687,190</u>
Debt service as a percentage of non-capital expenditures	5.35%	6.36%	5.76%	5.48%	5.17%

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Ad valorem taxes	\$ 22,850,485	\$ 23,821,093	\$ 23,496,912	\$ 24,081,429	\$ 24,560,773
Intergovernmental revenues	22,933,029	21,373,550	22,431,424	24,634,137	28,152,162
Licenses and permits	869,535	845,949	891,336	858,853	1,524,414
Sales and services	8,280,868	8,606,993	8,303,246	8,815,725	8,607,485
Investment earnings	129,916	65,120	63,733	106,991	440,161
Contributions	-	-	-	20,000	9,000
Project revenue	2,905,465	4,156,053	2,026,322	2,246,491	2,491,335
Miscellaneous	1,320,634	1,268,572	965,243	1,126,983	1,203,327
Total revenues	<u>59,289,932</u>	<u>60,137,330</u>	<u>58,178,216</u>	<u>61,890,609</u>	<u>66,988,657</u>
Expenditures					
Current:					
General government	5,174,420	4,672,485	4,809,567	5,437,814	5,211,280
Public safety	24,714,800	25,717,824	26,351,478	27,970,036	27,845,239
Public service	4,942,980	5,746,295	5,277,826	7,149,186	8,898,666
Public works	8,854,187	9,404,184	11,056,678	9,740,887	9,533,773
Engineering	972,760	986,374	999,738	1,011,477	867,699
Parks and recreation	8,664,907	7,890,472	8,771,419	8,507,568	14,886,325
Economic development	-	18,735	136,816	31,056	41,392
Community revitalization	2,212,833	860,152	699,439	1,884,490	1,588,747
Emergency management	-	-	-	-	-
Capital projects:					
General government	832,314	2,328,864	97,114	826,855	-
Public safety	32,995	374,769	69,883	95,483	73,191
Parks and recreation	9,236,765	212,243	821,261	1,642,385	1,020,954
Public service	2,503,521	108,768	485,370	1,261,081	-
Community revitalization	-	-	-	-	-
Debt service:					
Principal	3,208,643	4,030,356	3,863,984	3,870,807	3,640,565
Interest	431,995	621,151	447,948	440,624	840,934
Total expenditures	<u>\$ 71,783,120</u>	<u>\$ 62,972,672</u>	<u>\$ 63,888,521</u>	<u>\$ 69,869,749</u>	<u>\$ 74,448,765</u>
Excess of revenues over (under) expenditures	(12,493,188)	(2,835,342)	(5,710,305)	(7,979,140)	(7,460,108)
Other financing sources (uses)					
Transfers in	5,542,550	4,064,942	5,105,019	6,577,346	24,806,450
Transfers out	(1,963,131)	(1,097,942)	(1,444,769)	(2,341,584)	(20,081,450)
	-	-	-	-	3,477,487
Debt Financing	-	-	-	-	36,815,000
Proceeds from installment purchase agreement	12,248,000	1,955,000	3,007,000	2,173,000	842,000
Total other financing sources (uses)	<u>15,827,419</u>	<u>4,922,000</u>	<u>6,667,250</u>	<u>6,408,762</u>	<u>45,859,487</u>
Net change in fund balance	<u>\$ 3,334,231</u>	<u>\$ 2,086,658</u>	<u>\$ 956,945</u>	<u>\$ (1,570,378)</u>	<u>\$ 38,399,379</u>
Total debt service	<u>\$ 3,640,638</u>	<u>\$ 4,651,507</u>	<u>\$ 4,311,932</u>	<u>\$ 4,311,431</u>	<u>\$ 4,481,499</u>
Total expenditures	71,783,120	62,972,672	63,888,521	69,869,749	74,448,765
Capital outlay primary government only	12,937,662	13,621,602	7,094,717	10,420,735	11,387,714
Non-capital expenditures	<u>\$ 58,845,458</u>	<u>\$ 49,351,070</u>	<u>\$ 56,793,804</u>	<u>\$ 59,449,014</u>	<u>\$ 63,061,051</u>
Debt service as a percentage of non-capital expenditures	6.19%	9.43%	7.59%	7.25%	7.11%

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Service	Public Works and Engineering	Parks & Recreation
2008	5,468,209	21,398,728	5,446,420	9,889,200	8,742,527
2009	6,005,118	23,544,383	6,148,327	11,515,984	8,022,396
2010	6,212,087	25,384,100	11,604,544	10,111,155	8,309,912
2011	6,658,279	26,303,784	9,621,061	11,658,947	8,214,199
2012	5,819,102	25,504,159	10,110,203	11,429,097	8,463,342
2013	6,006,734	24,747,795	7,446,501	9,826,947	17,901,672
2014	7,001,349	26,092,593	5,855,063	10,390,558	8,102,715
2015	4,906,681	26,421,361	5,763,196	12,056,416	9,592,680
2016	6,264,669	28,065,519	8,410,267	10,752,364	10,149,953
2017	5,211,280	27,918,430	8,898,666	10,401,472	15,907,279

Fiscal Year	Emergency Management Hazard Mitigation	Community Revitalization	Economic Development	Debt Service	Total Expenditures
2008	-	1,948,078	-	2,735,646	55,628,808
2009	-	2,800,689	-	3,467,527	61,504,424
2010	-	3,585,679	-	3,646,403	68,853,880
2011	-	4,422,615	-	3,273,039	70,151,924
2012	5,418,215	2,170,571	-	3,295,760	72,210,449
2013	-	2,212,833	-	3,640,638	71,783,120
2014	-	860,152	18,735	4,651,507	62,972,672
2015	-	699,439	136,816	4,311,932	63,888,521
2016	-	1,884,490	31,056	4,311,431	69,869,749
2017	-	1,588,747	41,392	4,459,862	74,427,128

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Local Option Sales Tax	Franchise Tax	Tele- Communications Tax	Beer & Wine Tax	Licenses Permits & Other Taxes	Total Tax Revenues
2008	17,851,029	9,466,144	2,415,663	836,645	259,635	1,065,569	31,894,685
2009	19,350,631	8,809,926	2,653,519	942,964	264,527	950,558	32,021,566
2010	21,344,953	8,543,046	2,932,552	912,148	84,474	948,416	34,765,589
2011	21,262,639	8,866,679	3,019,976	835,047	265,409	883,621	35,133,371
2012	21,863,586	9,295,496	2,945,703	873,769	249,920	921,813	36,150,286
2013	22,776,770	8,974,432	2,931,777	827,404	231,246	869,535	36,611,164
2014	23,755,532	9,271,192	2,918,783	753,859	247,804	845,949	37,793,119
2015	23,415,767	9,929,384	3,549,282	707,980	268,678	891,336	38,762,427
2016	24,003,773	10,390,857	4,133,398	619,550	246,175	858,853	40,252,606
2017	24,494,306	11,290,472	4,088,160	615,201	249,805	1,524,414	42,262,358

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

Note: Ad valorem taxes includes penalties & interest
Includes General fund

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 & Permits</u>	<u>Sales and Services</u>	<u>Project Revenue</u>	<u>Investment Earnings</u>	<u>Other Revenue</u>	<u>Total Revenues</u>
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
2013	22,850,485	827,404	22,105,625	869,535	8,280,868	2,905,465	129,916	1,320,634	59,289,932
2014	23,821,093	753,859	20,619,691	845,949	8,606,993	4,156,053	65,120	1,268,572	60,137,331
2015	23,496,912	707,980	21,723,444	891,336	8,303,246	2,026,322	63,733	965,243	58,178,216
2016	24,081,429	619,550	24,014,587	858,853	8,815,725	2,246,491	106,991	1,146,983	61,890,609
2017	24,560,773	615,201	27,536,961	1,524,414	8,607,485	2,491,335	440,161	1,181,690	66,958,020

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	
	Residential Property		Commercial Property		Nash	Edgecombe
	Nash	Edgecombe	Nash	Edgecombe		
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425
2009 (4)	1,215,841,062	315,374,341	917,213,432	73,976,697	638,241,681	73,577,842
2010 (4&5)	1,466,556,229	409,793,603	1,106,349,436	96,124,426	640,883,468	73,864,477
2011	1,469,281,707	419,703,338	1,108,405,499	85,963,334	634,273,081	70,699,771
2012	1,467,562,469	467,531,300	1,107,108,530	40,654,896	634,311,603	74,423,775
2013	1,748,210,984	469,278,513	822,687,522	35,322,039	655,987,042	81,920,766
2014	1,607,339,569	469,763,599	964,403,741	35,358,550	734,489,531	115,903,296
2015	1,619,968,919	471,493,161	951,410,318	35,488,733	687,277,074	163,609,353
2016	1,615,745,248	469,421,346	948,929,749	35,332,789	683,952,105	151,311,571
2017 (4)	1,490,253,165	462,645,300	1,079,148,844	45,756,129	749,073,020	149,823,142

Fiscal Year	Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Nash	Edgecombe				
2008	36,836,521	38,935,022	3,232,396,714	0.55	3,795,146,495	85.17%
2009 (4)	34,582,543	38,951,598	3,307,759,196	0.58	3,392,345,413	97.51%
2010 (4&5)	39,404,429	46,781,653	3,879,757,721	0.55	3,925,781,032	98.83%
2011	40,818,345	46,879,116	3,876,024,191	0.55	3,978,527,748	97.42%
2012	43,700,708	46,023,256	3,881,316,537	0.55	3,884,134,999	99.93%
2013	43,647,676	45,743,335	3,902,797,877	0.58	3,873,547,007	100.76%
2014	42,301,359	38,394,016	4,007,953,661	0.58	3,972,326,494	100.90%
2015	46,020,988	35,272,383	4,010,540,929	0.58	3,950,569,476	101.52%
2016	50,550,431	32,875,817	3,988,119,056	0.605	3,931,828,062	101.43%
2017 (4)	\$ 50,254,170	\$ 31,893,692	4,058,847,462	0.605	4,100,095,736	98.99%

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)

City of Rocky Mount				Overlapping Rates Edgecombe County			Total Direct and Overlapping Rates (Edgecombe County)
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	School Millage (2)	Total County Millage	
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
2013	0.58	-	0.58	0.86	-	0.86	1.44
2014	0.58	-	0.58	0.86	-	0.86	1.44
2015	0.58	-	0.58	0.895	-	0.895	1.475
2016	0.605	-	0.605	0.95	-	0.95	1.555
2017	0.605	-	0.605	0.95	-	0.95	1.555

City of Rocky Mount				Overlapping Rates Nash County		Total Direct and Overlapping Rates (Nash County)
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Total County Millage	Municipal Service District Tax (1)	
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
2013	0.58	-	0.58	0.67	0.20	1.45
2014	0.58	-	0.58	0.67	0.20	1.45
2015	0.58	-	0.58	0.67	0.20	1.45
2016	0.605	-	0.605	0.67	0.20	1.475
2017	0.605	-	0.605	0.67	0.20	1.475

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	2017		Percentage of Total City Taxable Assessed Value	2008		Percentage of Total City Taxable Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Hospira Inc	Pharmaceuticals Manufacturing	\$ 250,588,814	1	6.17 %	\$138,164,585	1	4.27 %
Edgecombe Genco LLC ^a	Utility - Electrical	38,646,286	2	0.95	\$44,470,824	2	1.38
Hendon Golden East LLC	Retail Shopping Center	34,830,121	3	0.86	25,353,386	5	0.78
Carolina Telephone Company	Utility - Telecommunications	27,142,643	4	0.67	41,870,635	3	1.30
PNC Bank ^{**}	Banking	22,089,877	5	0.54	37,654,728	4	1.16
Kaba Ilco Corp	Key & Security System Manufacturing	18,294,380	6	0.45	22,212,584	6	0.69
Duke Energy Progress, Inc.	Utility - Electrical	17,559,963	7	0.43			
Honeywell International Inc	Aircraft Manufacturing	15,632,319	8	0.39	17,950,865	8	0.56
Rocky Mount WEH LP	Community Development Company	15,624,414	9	0.38			
Oakwood Properties LLC	Community Development Company	14,328,080	10	0.35	13,814,268	10	0.43
Fords Colony at RY Mount LLC	Community Development Company				21,605,142	7	0.67
Cobb Corners Ltd. Partnership	Retail Shopping Center				16,914,055	9	0.52
Carolina Power & Light	Electrical Energy Producer						
Total		<u>\$454,736,897</u>		<u>11.20 %</u>	<u>\$380,011,072</u>		<u>11.76 %</u>

Source: City of Rocky Mount Finance Dept

^a Formerly Cogentrix of Rocky Mount Inc

^{**} Formerly Centura Bank

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
2008	17,697,125	434,743	18,131,868	16,811,692	95.00	1,150,356	17,962,048	99.06
2009	19,086,402	454,654	19,541,056	18,132,030	95.00	1,215,160	19,347,190	99.01
2010	21,219,040	422,279	21,641,319	20,125,420	94.85	1,183,284	21,308,704	98.46
2011	21,239,809	387,094	21,626,903	19,993,488	94.13	1,246,569	21,240,057	98.21
2012	21,241,883	437,659	21,679,542	20,276,321	95.45	1,105,140	21,381,461	98.63
2013	22,521,357	271,649	22,793,006	21,473,139	95.35	965,063	22,438,202	98.44
2014	23,143,497	127,281	23,270,778	22,351,527	96.58	518,938	22,870,465	98.28
2015	23,012,679	269,218	23,281,897	22,562,575	98.04	307,178	22,869,753	98.23
2016	24,015,823	110,881	24,126,704	23,394,761	97.41	199,407	23,594,168	97.79
2017	24,402,640	152,031	24,554,671	23,836,350	97.68		23,836,350	97.07

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Fiscal Year 2016 -2017

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-1,500 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW
Residential effective 9/1/15-6/30/17		26.00	45.00				
Small General Service 9/1/15-6/30/17		26.00	45.00				
Medium General Service 9/1/15-6/30/17		33.00	53.00				
Large General Service 9/1/15-6/30/17	600.00						
Coordinated Demand Control Service 7/1/2013				265.00	975.00		1,850.00
Med General Seasonal/Intermittent 9/1/15-6/30/17		33.00	50.00				
Industrial Service 9/1/15-6/30/17	700.00						
Service Type	Monthly Energy Charge/kWH	Monthly Energy Charge- First 750 kWH/kWH	Monthly Energy Charge-Next 1250 kWH/kWH	Monthly Energy Charge- All Over 2000 kWH/kWH	Monthly Energy Charge-First 2000 kWH/kWH	Monthly Energy Charge- Additional kWH/kWH	
Residential effective 9/1/15-6/30/17	0.099750						
Small General Service 9/1/15-6/30/17		0.132925	0.110678	0.104556			
Medium General Service 9/1/15-6/30/17	0.074412						
Large General Service 9/1/15-6/30/17	0.061169						
Coordinated Demand Control Service 7/1/2013	0.058375						
Med General Seasonal/Intermittent effective 9/1/15-6/30/17					0.125159	0.099238	
Industrial Service 9/1/15-6/30/17	0.050537						

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.
Effective 9/1/15, the electric rates reflected an overall reduction due to the sale of the NCEMPA
generation assets to Duke Energy Progress

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
<u>Residential-rates at fiscal year-end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge-Single Phase	9.23	10.00	10.00	10.00	10.00
Monthly Customer Charge-Three Phase(add amount to single)	13.22	15.00	15.00	15.00	15.00
Monthly Energy Charge/kWH	0.11	0.13	0.13	0.13	0.13
<u>Small General Service-rates at fiscal year-end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge-Single Phase	17.60	18.22	18.22	18.22	18.22
Monthly Customer Charge-Three Phase(add amount to single)	13.22	13.68	13.68	13.68	13.68
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.14	0.16	0.16	0.16	0.16
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.11	0.13	0.13	0.13	0.13
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.11	0.12	0.12	0.12	0.12
<u>Medium General Service-rates at fiscal year-end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge-Single Phase	17.60	19.01	19.01	19.01	19.01
Monthly Customer Charge-Three Phase(add amount to single)	13.22	14.28	14.28	14.28	14.28
Monthly Energy Charge/kWH	0.08	0.10	0.10	0.10	0.10
<u>Large General Service-rates at fiscal year-end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge	733.82	807.20	807.20	807.20	807.20
Monthly Energy Charge/kWH	0.06	0.07	0.07	0.07	0.07
<u>Coordinated Demand Control Service-rates fiscal end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge-Under 1,000 kW	175.63	189.68	189.68	189.68	189.68
Monthly Customer Charge-1,000 -2,500 kW	643.97	695.49	695.49	695.49	695.49
Monthly Customer Charge-Over 2,500 kW	1,229.41	1,327.76	1,327.76	1,327.76	1,327.76
Monthly Energy Charge/kWH	0.05	0.06	0.06	0.06	0.06
<u>Coordinated Demand Control Service/Industrial-rates fiscal end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<i>repealed 9/1/15</i>					
Monthly Customer Charge-1,500 -2,500 kW	-	-	-	-	-
Monthly Customer Charge-Over 2,500 kW	-	-	-	-	-
Monthly Energy Charge/kWH	-	-	-	-	-
<u>Med General Seasonal/Intermittent-rates fiscal end</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Customer Charge-Single Phase	17.60	26.60	26.60	26.60	26.60
Monthly Customer Charge-Three Phase	30.82	40.88	40.88	40.88	40.88
Monthly Energy Charge-First 2000 kWH/kWH	0.12	0.15	0.15	0.15	0.15
Monthly Energy Charge-Additional kWH/kWH	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
Effective 9/1/15, the electric rates reflected an overall reduction due to the sale of the NCEMPA
generation assets to Duke Energy Progress
This schedule reflects rates at 6/30.

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year				
<u>Residential-rates at fiscal year-end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Monthly Customer Charge-Single Phase	10.00	14.00	14.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	15.00	21.00	21.00	19.00	19.00
Monthly Energy Charge/kWH	0.13	0.13	0.13	0.10	0.10
<u>Small General Service-rates at fiscal year-end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge-Single Phase	18.22	26.00	26.00	26.00	26.00
Monthly Customer Charge-Three Phase(add amount to single)	13.68	19.00	19.00	19.00	19.00
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.16	0.16	0.16	0.13	0.13
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.13	0.13	0.13	0.11	0.11
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.12	0.12	0.12	0.10	0.10
<u>Medium General Service-rates at fiscal year-end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge-Single Phase	19.01	27.00	27.00	33.00	33.00
Monthly Customer Charge-Three Phase(add amount to single)	14.28	20.00	20.00	20.00	20.00
Monthly Energy Charge/kWH	0.10	0.10	0.10	0.07	0.07
<u>Large General Service-rates at fiscal year-end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge	807.20	1,130.00	1,130.00	600.00	600.00
Monthly Energy Charge/kWH	0.07	0.07	0.07	0.06	0.06
<u>Coordinated Demand Control Service-rates fiscal end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge-Under 1,000 kW	189.68	265.00	265.00	265.00	265.00
Monthly Customer Charge-1,000 -2,500 kW	695.49	975.00	975.00	975.00	975.00
Monthly Customer Charge-Over 2,500 kW	1,327.76	1,850.00	1,850.00	1,850.00	1,850.00
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.06
<u>Coordinated Demand Control Service/Industrial-rates fiscal end</u>					
<i>repealed 9/1/15</i>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge-1,500 -2,500 kW	695.49	975.00	975.00	975.00	-
Monthly Customer Charge-Over 2,500 kW	1,327.76	1,850.00	1,850.00	1,850.00	-
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	-
<u>Med General Seasonal/Intermittent-rates fiscal end</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Monthly Customer Charge-Single Phase	26.60	38.00	38.00	33.00	33.00
Monthly Customer Charge-Three Phase	40.88	20.00	20.00	17.00	17.00
Monthly Energy Charge-First 2000 kWH/kWH	0.15	0.15	0.15	0.13	0.13
Monthly Energy Charge-Additional kWH/kWH	0.12	0.12	0.12	0.10	0.10

City of Rocky Mount, North Carolina

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

Type of Business	2017			2008		
	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 81,007,968	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue 83,846,041
Healthcare	\$ 2,693,113	1	3.32%	\$ 1,778,578	1	2.12%
Key & Security System Manufacturer	929,766	2	1.15%	958,316	2	1.14%
Bakery Production Facility	899,467	3	1.11%	748,010	5	0.89%
Plastic Packaging Manufacturer	776,292	4	0.96%	-		0.00%
Food Distributor	684,510	5	0.84%	780,364	4	0.93%
Communications	604,240	6	0.75%	506,617	8	0.60%
Elevator Products Manufacturer	541,347	7	0.67%	481,193	9	0.57%
Plastic Packaging Manufacturer	479,577	8	0.59%	-		0.00%
Bakery Production Facility	467,647	9	0.58%	-		0.00%
Food Distributor	388,196	10	0.48%	-		0.00%
Bread Distributor	-			874,472	3	1.04%
Plastic Packaging Manufacturer	-			743,223	6	0.89%
Department Store	-			572,786	7	0.68%
Textile Manufacturer	-			414,766	10	0.49%
	<u>\$ 8,464,155</u>		<u>10.45%</u>	<u>\$ 7,858,325</u>		<u>9.37%</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

Fiscal Year	Operating Revenues	Purchased Power	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859
2009	90,529,005	73,432,691	13,252,151	3,844,163	(84,844)	3,759,318
2010	94,210,653	75,831,363	13,969,285	4,410,005	2,097,226	6,507,231
2011	96,025,207	77,389,296	14,340,205	4,295,706	(99,146)	4,196,560
2012	89,571,738	74,419,871	13,832,305	1,319,562	(328,186)	991,376
2013	91,499,477	74,829,348	13,786,016	2,884,113	281,297	3,165,410
2014	93,771,709	75,354,137	14,052,385	4,365,187	(217,178)	4,148,009
2015	93,059,344	72,729,666	14,139,991	6,189,687	(697,028)	5,492,659
2016	81,344,061	53,102,969	15,495,839	12,745,253	(31,786)	12,713,467
2017	79,960,866	54,693,922	15,863,768	9,403,176	766,753	10,169,929

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2008	(1,500,000)	3,612,859	4.3%
2009	(1,600,000)	2,159,318	2.4%
2010	(1,590,780)	4,916,451	5.2%
2011	(2,181,700)	2,014,860	2.1%
2012	(791,132)	200,244	0.2%
2013	(1,396,325)	1,769,085	1.9%
2014	(1,425,000)	2,723,009	2.9%
2015	(1,700,000)	3,792,659	4.1%
2016	(1,700,000)	11,013,467	13.5%
2017	(2,058,968)	8,110,961	10.1%

Source: Audited financial reports of the City of Rocky Mount

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2013	89,526,567	1,972,910	91,623	8,094	473,962	92,073,156
2014	91,430,978	2,340,731	63,945	-	24,020	93,859,674
2015	91,929,928	1,129,416	70,880	-	20,761	93,150,985
2016	80,485,127	858,934	317,144	-	69,728	81,730,933
2017	78,883,736	1,077,130	761,757	51,032	234,313	81,007,968

Source: Audited financial reports of the City of Rocky Mount

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Commercial/ Industrial	Commercial	Seasonal	Other Lights	Total User Charges
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
2013	41,677,126	42,662,606	2,817,395	295,960	2,073,480	89,526,567
2014	42,714,433	42,689,175	3,609,477	331,702	2,086,191	91,430,978
2015	42,738,735	43,073,256	3,607,192	366,185	2,144,560	91,929,928
2016	37,041,030	35,509,526	5,485,774	350,457	2,098,339	80,485,127
2017	36,940,907	32,871,262	6,642,553	321,445	2,107,569	78,883,736

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384
2009	29,689,679	20,694,036	4,764,483	4,231,160	42,974	4,274,134
2010	25,025,210	16,455,078	4,961,557	3,608,575	(248,616)	3,359,959
2011	24,079,519	16,116,224	6,245,513	1,717,782	(29,343)	1,688,439
2012	19,545,646	11,130,071	7,073,482	1,342,093	(68,154)	1,273,939
2013	23,315,073	12,583,862	6,452,707	4,278,504	(250,737)	4,027,767
2014	26,655,662	14,329,752	7,156,602	5,169,308	(257,710)	4,911,598
2015	27,193,682	14,881,099	6,372,319	5,940,264	(258,012)	5,682,252
2016	20,385,720	11,028,446	8,847,685	509,589	(152,026)	357,563
2017	21,533,673	10,705,249	7,626,627	3,201,797	1,152	3,202,949

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2008	(1,125,000)	2,193,384	7.7%
2009	(1,000,000)	3,274,134	11.0%
2010	(1,250,000)	2,109,959	8.4%
2011	(1,400,000)	288,439	1.2%
2012	(1,266,000)	7,939	0.04%
2013	(1,400,000)	2,627,767	11.27%
2014	(1,066,000)	3,845,598	14.43%
2015	(1,900,000)	3,782,252	13.91%
2016	(2,100,000)	(1,742,437)	-8.55%
2017	(2,245,000)	957,949	4.45%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Investment Earnings	Total Revenues
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
2013	23,257,570	57,503	-	131,007	23,446,080
2014	26,507,748	147,914	-	8,894	26,664,556
2015	26,993,761	199,921	-	15,444	27,209,126
2016	20,218,245	167,475	4,599	39,195	20,429,514
2017	21,390,421	143,252	-	92,148	21,625,821

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Special	Seasonal	Other	Total User Charges
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
2013	12,064,937	6,623,544	1,229,641	2,898,610	440,838	-	23,257,570
2014	13,789,553	7,557,336	1,185,317	3,791,887	183,655	-	26,507,748
2015	13,865,721	7,763,319	1,364,225	3,761,901	238,596	-	26,993,761
2016	10,252,283	5,733,321	1,204,443	2,800,705	227,494	-	20,218,245
2017	10,890,188	5,710,045	1,289,012	2,508,488	992,687	-	21,390,421

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2008	9,294,113	8,489,576	804,537	(40,717)	763,820
2009	9,273,368	9,636,746	(363,377)	29,863	(333,514)
2010	11,190,160	8,881,041	2,309,119	160,691	2,469,810
2011	11,663,325	9,031,332	2,631,993	(47,282)	2,584,711
2012	10,371,461	9,156,365	1,215,096	(126,421)	1,088,675
2013	10,349,229	8,678,396	1,670,833	(70,597)	1,600,236
2014	10,961,723	7,570,233	3,391,490	(90,826)	3,300,664
2015	10,942,768	9,998,089	944,679	(145,622)	799,057
2016	11,340,187	9,913,611	1,426,576	(111,578)	1,314,998
2017	11,022,058	10,306,996	715,062	(21,630)	693,432

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
2008	(119,000)	644,820	6.9%
2009	(350,000)	(683,514)	-7.4%
2010	(250,000)	2,219,810	19.8%
2011	(408,767)	2,175,944	18.7%
2012	(500,000)	588,675	5.7%
2013	(700,000)	900,236	8.7%
2014	(526,000)	2,774,664	25.3%
2015	(125,000)	674,057	6.2%
2016	(500,000)	814,998	7.2%
2017	(445,000)	248,432	2.3%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2013	10,181,457	39,882	127,890	-	-	78,893	10,428,122
2014	10,771,384	22,020	168,319	29,700	-	18,343	11,009,766
2015	10,664,276	61,813	216,679	10,775	-	16,002	10,969,545
2016	11,046,278	49,025	244,884	8,059	-	32,080	11,380,326
2017	10,673,585	30,050	318,423	28,237	-	74,555	11,124,850

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Inside City	Outside City	Municipal	Other	Total User Charges
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
2013	7,778,890	694,856	1,707,711	-	10,181,457
2014	8,234,091	752,157	1,785,136	-	10,771,384
2015	8,332,830	753,613	1,577,833	-	10,664,276
2016	8,647,758	834,213	1,564,307	-	11,046,278
2017	8,324,804	825,383	1,523,398	-	10,673,585

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230
2009	10,641,539	9,729,040	912,499	(218,125)	694,375
2010	11,924,944	10,491,072	1,433,872	(19,839)	1,414,033
2011	11,817,647	10,546,926	1,270,721	(234,530)	1,036,191
2012	11,768,570	10,782,819	985,751	(241,317)	744,434
2013	11,772,500	10,898,113	874,387	(125,733)	748,654
2014	11,933,548	12,777,308	(843,760)	(380,992)	(1,224,752)
2015	12,063,032	11,763,654	299,378	(1,251,280)	(951,902)
2016	12,848,473	11,841,856	1,006,617	(788,783)	217,834
2017	12,947,995	12,615,367	332,628	(180,735)	151,893

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2008	(386,090)	595,140	5.8%
2009	-	694,375	6.5%
2010	(12,912)	1,401,121	11.7%
2011	240,815	1,277,006	10.8%
2012	516,825	1,261,259	10.7%
2013	(120,412)	628,242	5.3%
2014	-	(1,224,752)	-10.3%
2015	(10,250)	(962,152)	-8.0%
2016	(10,762)	207,072	1.6%
2017	43,626	195,519	1.5%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-Operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2013	11,538,328	31,417	202,755	-	29,588	133,651	11,935,739
2014	11,689,883	12,103	231,562	-	24,106	41,053	11,998,707
2015	11,756,097	50,506	256,429	-	-	35,209	12,098,241
2016	12,532,495	53,534	262,444	257	-	42,615	12,891,345
2017	12,552,634	60,865	334,496	2,118	43,626	62,560	13,056,299

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Sewer Service	Sewer Surcharge	Sewer No Water	Wholesale	Other	Total User Charges
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
2013	8,898,925	356,401	90,517	2,170,121	22,364	11,538,328
2014	8,715,746	357,862	98,083	2,495,781	22,411	11,689,883
2015	8,728,066	333,735	100,247	2,571,500	22,549	11,756,097
2016	9,443,112	463,221	128,912	2,474,028	23,222	12,532,495
2017	9,469,942	532,009	138,498	2,389,584	22,602	12,552,634

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)
2009	2,918,743	2,849,727	69,016	39,492	108,508
2010	2,933,755	2,931,774	1,981	68,807	70,788
2011	3,352,106	3,054,109	297,997	1,357	299,354
2012	3,603,852	3,328,564	275,288	(10,210)	265,078
2013	3,418,192	3,215,172	203,020	18,891	221,911
2014	3,505,458	3,594,178	(88,720)	(18,047)	(106,767)
2015	4,096,545	3,322,599	773,946	(15,061)	758,885
2016	4,068,312	3,328,062	740,250	(12,216)	728,034
2017	4,087,544	3,315,112	772,432	6,109	778,541

Fiscal Year	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
2008	300,000	191,981	7.1%
2009	300,000	408,508	14.0%
2010	300,000	370,788	12.6%
2011	(85,162)	214,192	6.4%
2012	200,000	465,078	12.9%
2013	108,245	330,156	9.7%
2014	79,000	(27,767)	-0.8%
2015	75,000	833,885	20.4%
2016	75,000	803,034	19.7%
2017	75,000	853,541	20.9%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
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
2013	3,388,414	29,778	-	33,245	47,606	3,499,043
2014	3,457,268	48,190	-	29,000	6,153	3,540,611
2015	4,040,905	55,640	-	-	5,100	4,101,645
2016	4,022,698	45,614	-	-	8,587	4,076,899
2017	4,031,624	55,920	-	-	19,171	4,106,715

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Ten Fiscal Years

Fiscal Year	Residential	Multi-family	Commercial	Total User Charges
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
2013	875,806	227,658	2,284,951	3,388,414
2014	890,392	229,306	2,337,570	3,457,268
2015	1,045,465	273,979	2,721,461	4,040,905
2016	1,042,414	275,866	2,704,418	4,022,698
2017	2,706,221	277,409	1,047,994	4,031,624

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Capital Leases	Primary Government
	Capital Leases	Special Obligation Bonds	HUD Section 108 Loan	YMCA Debt	NCDOT	Water Bonds	Revolving Sewer Bonds	Sewer Loans		
2008	13,323,336	-	-	1,300,000	17,000	1,577,315	2,082,685	4,255,536	7,826,068	30,381,940
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
2010	12,068,881	-	2,389,661	900,000	521,108	-	-	3,973,180	13,958,946	33,811,776
2011	12,477,111	-	2,655,000	700,000	492,785	-	-	3,835,026	12,951,382	33,111,304
2012	11,274,007	-	2,510,000	500,000	834,046	-	-	5,268,013	13,468,136	33,854,202
2013	20,558,364	-	2,365,000	400,000	785,052	-	-	7,377,096	15,303,040	46,788,552
2014	18,728,008	-	2,220,000	300,000	1,834,203	-	-	6,947,668	11,578,875	41,608,754
2015	18,578,801	-	2,075,000	200,000	1,453,760	-	-	6,518,239	8,845,332	37,671,132
2016	16,967,327	-	1,930,000	100,000	1,009,857	-	-	6,088,810	8,475,070	34,571,064
2017	14,255,095	36,815,000	1,785,000	-	2,091,388	-	-	5,659,382	10,818,316	71,424,181

Fiscal Year	Percentage of Personal Income ^a	Per Capita ^a
2007	0.77%	581.34
2008	0.68%	539.03
2009	0.69%	537.80
2010	0.70%	561.47
2011	0.69%	576.08
2012	0.68%	589.46
2013	0.92%	825.92
2014	0.78%	738.73
2015	0.70%	668.82
2016	not available	617.80
2017	not available	1287.71

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General or Special Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total			
2008	3,660,000	-	3,660,000	0.21%	0.09%	65
2009	1,815,000	-	1,815,000	0.10%	0.05%	31
2010	-	-	-	0.00%	0.00%	0
2011	-	-	-	0.00%	0.00%	0
2012	-	-	-	0.00%	0.00%	0
2013	-	-	-	0.00%	0.00%	0
2014	-	-	-	0.00%	0.00%	0
2015	-	-	-	0.00%	0.00%	0
2016	-	-	-	0.00%	0.00%	0
2017	36,815,000	-	36,815,000	not available	0.89%	664

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

Total Debt as of June 30, 2017

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount¹</u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt	54,946,483	100.0%	54,946,483
Total Direct Debt	<u>\$ 54,946,483</u>		<u>\$ 54,946,483</u>
Overlapping Debt			
Edgecombe County:			
School	6,754,000	16.0%	1,080,640
Non General Obligation	18,251,315	16.0%	2,920,210
Nash County Non Gen Obligation	<u>42,979,469</u>	84.0%	<u>36,102,754</u>
Total Overlapping Debt	<u>\$ 67,984,784</u>		<u>\$ 40,103,604</u>
Total direct and overlapping debt	<u>\$ 122,931,267</u>		<u>\$ 95,050,087</u>

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

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 258,592	\$ 264,621	\$ 310,381	\$ 310,082	\$ 310,505	\$ 312,224	\$ 320,636	\$ 320,843	\$ 319,050	\$ 324,708
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,815
Legal debt margin	<u>\$ 258,592</u>	<u>\$ 264,621</u>	<u>\$ 310,381</u>	<u>\$ 310,082</u>	<u>\$ 310,505</u>	<u>\$ 312,224</u>	<u>\$ 320,636</u>	<u>\$ 320,843</u>	<u>\$ 319,050</u>	<u>\$ 287,893</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.34%

Legal Debt Margin Calculation for Fiscal Year 2017

Notes:	Assessed Value	4,058,847,462
(1) North Carolina General Statute 159-55(c) limits the City's net debt to 8% of the appraised value of property subject to taxation within the City.	Debt Limit (8% of total assessed value) (1)	324,707,797
	Debt applicable to limitation:	
	Total outstanding bonded debt at 6/30/17	36,815,000
	Less: Statutory deductions (2 and 3)	
(2) North Carolina General Statute 159-55(c)(2) exempts bonds issued for electric system and water system purposes from inclusion in the calculation of legal debt margin.	Bonds issued and outstanding for water purposes	-
	Bonds issued and outstanding for sewer purposes	-
		-
(3) North Carolina General Statute 159-55(c)(3) exempts bonds issued for sanitary sewer system purposes from inclusion in the calculation of legal debt margin.	Total amount of debt applicable to debt limit	36,815,000
	Legal debt margin	<u>\$ 287,892,797</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

PLEDGED REVENUE COVERAGE - WATER & SEWER

Last Ten Fiscal Years

Sewer Bonds							
Fiscal Year	Operating Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
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%
2013	11,646,767	8,985,223	2,661,544	-	-	-	100.00%
2014	11,552,556	10,807,392	745,164	-	-	-	100.00%
2015	10,811,752	9,833,829	977,923	-	-	-	100.00%
2016	12,059,690	9,969,066	2,090,624	-	-	-	100.00%
2017	12,767,260	10,784,403	1,982,857	-	-	-	100.00%

Water Bonds							
Fiscal Year	Operating Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
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%
2013	10,278,632	7,160,106	3,118,526	-	-	-	100.00%
2014	10,870,897	6,021,145	4,849,752	-	-	-	100.00%
2015	10,797,146	8,394,189	2,402,957	-	-	-	100.00%
2016	11,228,609	8,688,805	2,539,804	-	-	-	100.00%
2017	11,000,428	9,088,873	1,911,555	-	-	-	100.00%

¹ Total revenues including interest

² Total operating expenses exclusive of depreciation and amortization

³ Includes General Obligation Bonds

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	City Population (1)	Rocky Mount MSA(a) Personal Income (Millions) (2)	Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount Unemployment Rate (3)	Rocky Mount Retail Sales (Millions) (4)
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	4,774.7	31,380	13.7%	668.8
2012	57,433	4,999.4	32,964	13.2%	704.3
2013	56,650	5,084.8	33,749	13.3%	671.5
2014	56,325	5,306.40	35,544	10.2%	686.1
2015	56,325	5,398.50	36,459	8.90%	575.3
2016	55,958	not available	not available	7.50%	710.6
2017	55,466	not available	not available	6.40%	742.3

Sources: (1) US Census Bureau
 (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	2017			2008		
	Employees	Rank	Percentage of Total MSA (a) Employment	Employees	Rank	Percentage of Total MSA (a) Employment
Pfizer (formerly Hospira)	2400	1	3.22%	1840	2	2.87%
Nash Rocky Mount Schools	2275	2	3.05%	2500	1	3.90%
Cummins-Rocky Mount Engines	1800	3	2.42%	1350	4	2.11%
Nash Health Care Systems	1600	4	2.15%	1725	3	2.69%
QVC , Inc.	1100	5	1.48%			
CenturyLink/ Sprint	1000	6	1.34%	1100	6	1.72%
Alorica (formerly West Customer Management Group)	885	7	1.19%	800	8	1.25%
Universal Leaf	800	8	1.07%	1000	7	1.56%
MBM, Corp.	650	9	0.87%			
McLane North Carolina	575	10	0.77%	570	10	0.89%
PNC (formerly RBC Centura)				1250	5	1.95%
Kaba Ilco Corporation				575	9	0.90%
	<u>13,085</u>		<u>17.57%</u>	<u>12,710</u>		<u>19.84%</u>

Source: Carolina Gateways Partnership

(a) Metropolitan Statistical Area

CITY OF ROCKY MOUNT, NORTH CAROLINA

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	105	102	112	112	114	108	107	110	119	112
Public Safety										
Police	195	206	223	200	197	191	199	198	198	199
Fire	148	146	144	142	142	143	145	140	144	146
Public Works	108	105	103	100	92	91	90	86	75	89
Engineering	24	25	25	25	25	25	25	24	23	22
Parks & Recreation	63	66	64	66	67	65	62	59	58	59
Public Service	4	4	4	4	2	2	2	2	2	2
Economic Development	22	22	24	20	17	16	17	18	19	19
Electric	63	64	67	69	69	64	66	64	70	66
Gas	19	20	19	18	18	19	19	20	16	19
Water	62	61	62	47	46	47	44	43	43	43
Sewer	24	24	24	37	35	37	34	37	36	37
Storm Water	34	37	38	39	39	37	34	35	36	32
Total	871	882	909	879	863	845	844	836	839	845

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

	<u>2017</u>
Function/Program	
Police	
Physical arrests	6,517
Traffic violations	8,089
Fire	
Number of calls answered	10,661
Inspections	2,108
Water	
Number of meters	23,861
Avg daily consumption (millions of gallons)	8.49
Peak daily consumption (millions of gallons)	11.30
Wastewater	
Avg daily sewer treatment (millions of gallons)	11.6

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

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	42	51	51	58	59	63	57	73	66	72	72
Fire											
Stations	7	7	7	7	7	7	7	7	7	7	7
Public Works											
Streets (miles)	263	281	283	284	284	284	284	283	283	283	283
Streetlights	6,850	6,913	6,919	6,830	6,830	6,949	7,073	7,113	7,207	7,254	7,246
Recreation and Parks											
Parks	41	41	41	41	41	41	41	43	43	43	43
Acreage	473	473	473	473	473	473	473	482	506	506	506
Swimming Pools	2	2	2	2	2	2	2	2	2	2	2
Tennis Courts	34	37	37	37	36	36	36	36	36	36	36
Recreation centers	3	3	3	3	3	3	3	3	3	3	4
Water											
Water mains (miles)	473	480	480	480	489	492	492	494	494	497	497
Maximum daily capacity (millions of gallons)	26	26	26	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	10	9.25	9.25	10	10	10	10	10	10
Wastewater											
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21	21
Electric											
Distribution lines (miles)	720	734	735	733	733	741	742	742	744	744	740

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

