



ROCKY MOUNT, NC

THE CENTER OF IT ALL

Financial Update October 2026

Where We've Been. Where We Are.
The Path Forward.

Elton Daniels, ICMA-CM • City Manager

Cheryl Spivey, CPA • Director of Finance





The starting position required intervention

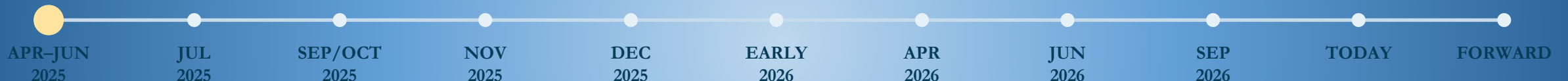
13 months

Approximate treasury
reconciliation backlog

Fund balance below policy

Controls needed strengthening

Spending needed realignment





Financial leadership strengthened the response

Cheryl Spivey, CPA

Director of Finance

Hired July 2025

Comprehensive review

Establish the full financial position.

Department restructuring

Strengthen personnel and procedures.

Internal controls

Improve oversight and address the backlog.



City disclosure preceded the State Auditor's review

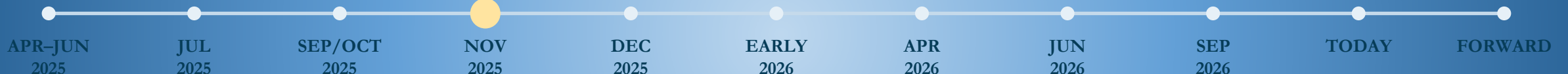
Historical Measure	Amount
Available 6/30/2024, per audit	\$6,522,246
Estimated available 6/30/2025	\$5,500,000
Additional amount to achieve 8% goal	\$2,500,000
Additional amount to achieve 10% City policy	\$4,500,000



A critical financial control returned to schedule

Reconciliation Current

The Finance team eliminated the backlog by November 2025 and has maintained current reconciliation since then.





Reset required difficult operating decisions

\$30M

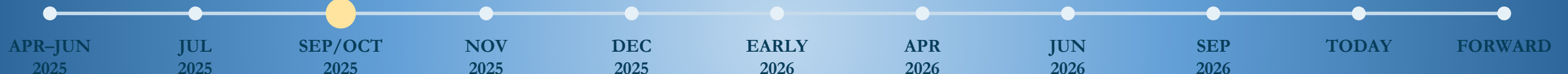
Targeted expenditure reduction
over approximately 10 months

≈10% workforce reduction

Freeze nonessential commitments

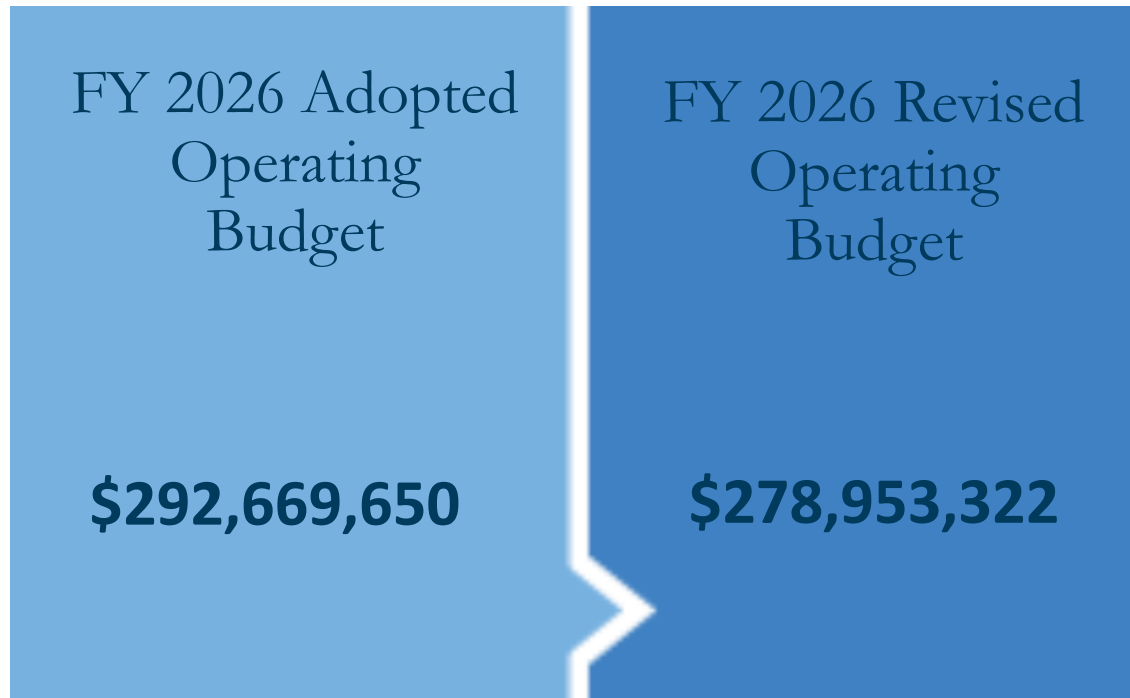
Defer initiatives and reduce operating cost

Council and staff took steps to reduce operating costs and strengthen financial controls.





Council adopted a revised FY2026 operating budget



More than \$11M

Reduction from the original
FY2026 operating budget



Stabilization continued through 2026

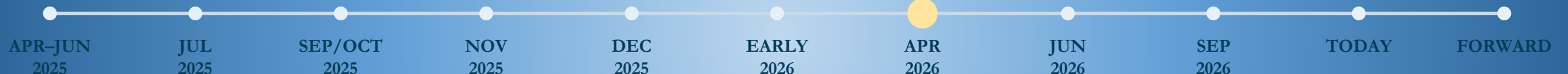
$\approx 15\%$

April 2026 utility rate adjustments
as part of the stabilization effort

Disciplined Expenditure Management

Strengthened Controls and Cash Monitoring

Local Government Commission (LGC) Coordination





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Financial Journey



FY2027 budget carried financial discipline forward



ADOPTED ANNUAL BUDGET
FISCAL YEAR 2027

\$269,679,226



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No Appropriation of Fund Balance

Lower enterprise fund cost allocation to
the General Fund

Continued Spending Controls and
Financial Oversight

APR-JUN
2025

JUL
2025

SEP/OCT
2025

NOV
2025

DEC
2025

EARLY
2026

APR
2026

JUN
2026

SEP
2026

TODAY

FORWARD



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Financial Journey



Unit Assistance List (UAL) placement requires continued attention

Based primarily on FY2025 audited information

FY2026 Audit:

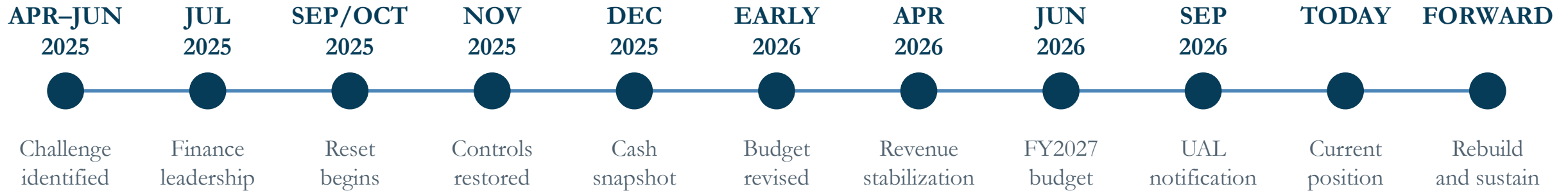
Due December 31, 2026



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The Financial Journey



What we inherited. What we did.
Where we stand. What remains. What comes next.

Progress is measurable. The work is not finished.





Cash Trend and Financial Projections: December 2025 - December 2026



APR-JUN
2025

JUL
2025

SEP/OCT
2025

NOV
2025

DEC
2025

EARLY
2026

APR
2026

JUN
2026

SEP
2026

TODAY

FORWARD



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Financial Journey



DECEMBER 2025

\$18.1 million

Reported cash balance

DECEMBER 2026

\$50 million

Projected cash balance



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Financial Journey



Cash by Fund: Complete Finance Schedule

Fund	Jun 2025	Feb 2026	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
General (incl. Powell Bill)	9,894,362	14,452,127	11,762,286	7,901,829	3,621,291	4,365,177	3,897,819	3,248,113	8,939,526	11,663,844	18,163,844	26,663,844
Electric	9,280,139	6,984,495	5,406,652	6,161,895	9,478,309	9,421,774	10,237,371	9,356,742	8,543,784	8,543,784	8,543,784	8,543,784
Gas	3,841,448	2,500,071	3,320,780	3,472,721	4,102,222	3,536,994	5,136,885	4,076,980	3,005,619	3,005,619	3,005,619	3,005,619
Water	4,179,484	2,847,722	2,857,006	2,893,209	2,735,793	2,553,389	3,461,664	4,499,152	3,622,136	3,622,136	3,622,136	3,622,136
Sewer	1,147,773	1,430,996	862,233	1,106,603	2,126,441	1,999,473	822,424	1,364,185	1,345,402	1,345,402	1,345,402	1,345,402
Stormwater	2,253,407	1,246,587	1,522,509	1,604,723	2,157,754	2,382,659	2,051,979	2,329,645	1,893,285	1,893,285	1,893,285	1,893,285
General Capital Development	6,371,356	1,753,737	1,941,289	2,130,699	2,166,961	2,170,527	2,417,829	2,417,729	2,320,497	2,320,497	2,320,497	2,320,497
Communications	1,765,161	1,168,198	1,232,636	1,170,081	1,335,968	1,427,573	1,520,566	1,544,024	1,450,247	1,450,247	1,450,247	1,450,247
Occupancy Tax	578,608	791,070	884,315	808,950	975,824	552,216	555,998	555,998	664,029	664,029	664,029	664,029
Economic Development	1,142,378	628,721	—	—	—	—	—	—	—	—	—	—
General Capital Project	512,424	458,393	512,424	467,766	512,424	512,424	512,424	512,424	512,424	512,424	512,424	512,424
Emergency Telephone System	524,354	455,605	509,277	479,311	550,443	565,237	566,024	580,675	582,186	582,186	582,186	582,186
Crime/Safety Control	349,838	355,020	386,073	366,953	331,797	351,213	348,017	369,977	386,071	386,071	386,071	386,071
Community Development	—	122,197	133,783	(68,462)	193,979	141,675	237,073	263,751	158,907	158,907	158,907	158,907
ARPA	42,616	38,550	43,094	39,425	43,231	43,298	43,352	43,352	43,426	43,426	43,426	43,426
Transit	—	(2,840,599)	(3,216,275)	(2,747,734)	(3,091,645)	(1,429,267)	(1,766,336)	(833,606)	(1,496,164)	(1,496,164)	(1,496,164)	(1,496,164)
Rocky Mount Public Facilities Corp.	9,000	—	—	—	—	—	—	—	—	—	—	—
Canteen	280,727	265,842	297,060	274,855	300,248	298,575	309,715	310,178	304,307	304,307	304,307	304,307
TOTAL	41,892,348	32,658,731	28,455,565	26,062,884	27,541,041	28,892,937	30,352,318	30,639,318	32,275,682	35,000,000	41,500,000	50,000,000

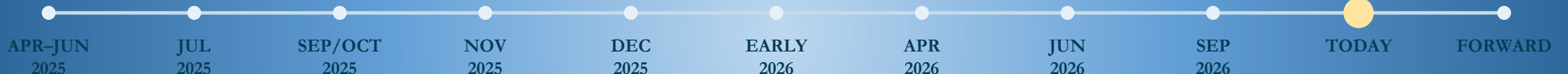
APR-JUN 2025	JUL 2025	SEP/OCT 2025	NOV 2025	DEC 2025	EARLY 2026	APR 2026	JUN 2026	SEP 2026	TODAY	FORWARD
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**Rebuilding fund balance remains the obligation while
maintaining our core services**

≈\$22M

Fund balance target based on LGC
guidance for a city our size





The next phase is to rebuild and sustain

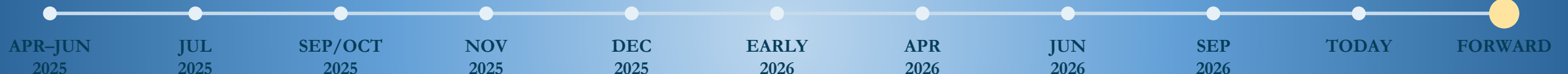
Complete the FY2026 audit

Rebuild available fund balance

Address critical infrastructure while monitoring cash flow

Begin FY 2027-2028 operational budget and capital improvement plan (CIP)
preparation in a few weeks

Provide the Mayor and Council an update on current capital projects





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Financial Update

Questions