

# Comprehensive Annual Financial Report FOR FISCAL YEAR ENDING JUNE 30, 2015

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Exhibit</b>	<b>Page</b>
<b>INTRODUCTION SECTION</b>		
Letter of Transmittal		1-4
Governmental Finance Officers' Association (GFOA) Certificate of Achievement		5
Organization Chart		6
City Officials		7
<b>FINANCIAL SECTION</b>		
Report of Independent Auditor		8-9
Management's Discussion and Analysis		10-22
Government-wide Financial Statements		
Statement of Net Position	A	23
Statement of Activities	B	24
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	25-26
Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	D	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	E	28
General Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	F	29
Proprietary Funds		
Statement of Fund Net Position	G	30-31
Statement of Revenues, Expenses, and Changes in Fund Net Position	H	32-33
Statement of Cash Flows	I	34-37
Fiduciary Funds		
Statement of Fiduciary Net Position	J	38
Statement of Changes in Fiduciary Net Position	K	39
Notes to the Financial Statements		40-100

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Schedule</b>	<b>Page</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Law Enforcement Officers’ Special Separation Allowance	A-1	101
Other Post-Employment Benefits (OPEB) – City	A-2	102
Other Post-Employment Benefits (OPEB) – Greenville Utilities Commission (GUC)	A-3	103
Schedule of Proportionate Share of Net Pension Liability (Asset) – Local Governmental Employees’ Retirement System – City	A-4	104
Schedule of Contributions – Local Governmental Employees’ Retirement System – City	A-5	105
Schedule of Proportionate Share of Net Pension Liability (Asset) – Local Governmental Employees’ Retirement System – Greenville Utilities Commission	A-6	106
Schedule of Contributions – Local Governmental Employees’ Retirement System – Greenville Utilities Commission	A-7	107
<b>OTHER SUPPLEMENTARY INFORMATION</b>		
Schedule of Ad Valorem Taxes Receivable	A-8	108
Analysis of Current Tax Levy – City-Wide Levy	A-9	109
Government Fund Financial Statements – General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	A-10	110-112
Nonmajor Governmental Funds:		
Combining Balance Sheet	B-1	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	114
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	116
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Community Development and Home Fund	C-3	117
Sheppard Memorial Library	C-4	118
Housing Trust Fund	C-5	119
Energy Efficient Recovery Grant	C-6	120
Centralized Grant Project	C-7	121
Hurricane Irene FEMA Grant	C-8	122

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Schedule</b>	<b>Page</b>
<b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>		
Nonmajor Capital Project Funds:		
Combining Balance Sheet	D-1	123-124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	125-126
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
Affordable Housing Capital Project Fund	D-3	127
West Greenville Revitalization	D-4	128
Center City Revitalization	D-5	129
Stantonsburg Road/10th Street Connector	D-6	130
South Tar River Greenway Project	D-7	131
Way Finding Community Development	D-8	132
Thomas Langston Road Extension Project	D-9	133
GTAC Project	D-10	134
Community Oriented Policing Services (COPS) Project	D-11	135
New Technology for Public Safety Project	D-12	136
Emergency Operations Center	D-13	137
Capital Reserve Fund	D-14	138
King George Bridge	D-15	139
Green Mill Greenway	D-16	140
Dream Park Capital Project	D-17	141
Energy Savings Equipment Project	D-18	142
Uptown Parking Deck	D-19	143
ERP Capital Project Fund	D-20	144
Street Improvement Capital Project	D-21	145
South Greenville Reconstruction	D-22	146
CVA Expansion Phase III	D-23	147
Nonmajor Debt Service Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	E-1	148

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Schedule</b>	<b>Page</b>
<b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>		
Proprietary Funds:		
Major Enterprise Funds:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP):		
Electric Operating Fund	F-1	149
Water Operating Fund	F-2	150
Sewer Operating Fund	F-3	151
Gas Operating Fund	F-4	152
Nonmajor Enterprise Funds:		
Combining Statement of Fund Net Position	F-5	153
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	F-6	154
Combining Statement of Cash Flows	F-7	155
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP):		
Public Transportation	F-8	156
Stormwater Utility Fund	F-9	157
Stormwater Drainage Maintenance Capital Project	F-10	158
Town Creek Culvert Stormwater Capital Project	F-11	159
Watershed Replacement Stormwater Capital Project	F-12	160
Sanitation Fund	F-13	161
Internal Service Funds:		
Combining Statement of Fund Net Position	G-1	162
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	G-2	163
Combining Statement of Cash Flows	G-3	164
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP):		
Vehicle Replacement	G-4	165
Health Insurance	G-5	166
Fleet Maintenance	G-6	167
Facilities Improvement	G-7	168

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Table</b>	<b>Page</b>
<b>STATISTICAL SECTION</b>		
Net Position by Component – Last Ten Fiscal Years	1	169
Changes in Net Position – Last Ten Fiscal Years	2	170-171
Fund Balances of Governmental Funds – Last Ten Fiscal Years	3	172
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	4	173
Greenville Utilities Commission – Revenue Base - Last Ten Fiscal Years	5	174
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	6	175
Greenville Utilities Commission – Direct Overlapping Revenue Rates – Last Ten Fiscal Years	7	176
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	8	177
Principal Property Taxpayers – December 31, 2014 for fiscal year 2015	9	178
Top Customers – Greenville Utilities Commission - Current Year and Nine Years Ago	10	179 - 180
General Fund Tax Revenues by Source – Last Ten Fiscal Years	11	181
Property Tax Levies and Collections – Last Ten Fiscal Years	12	182
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	13	183
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	14	184
Legal Debt Margin - Governmental Activities – Last Ten Fiscal Years	15	185
Pledged Revenue Coverage – Last Ten Fiscal Years	16	186
Demographic and Economic Statistics – Last Ten Fiscal Years	17	187
Principal Employers – Current Year and Nine Years Ago	18	188
Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	19	189
Operating Indicators by Function – Last Ten Fiscal Years	20	190
Capital Asset Statistics by Function – Last Ten Fiscal Years	21	191

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>SINGLE AUDIT AND COMPLIANCE SECTION</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	192 - 193
Report on Compliance for Each Major Federal Program and on Internal Control over Compliance, in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	194 - 195
Report on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	196 - 197
Schedule of Findings and Questioned Costs	198 – 201
Schedule of Corrective Action Plan	202
Summary Schedule of Prior Year Findings	203
Schedule of Expenditures of Federal and State Awards	204



# INTRODUCTION

FY 2015 Comprehensive Annual Financial Report



**CITY MANAGER'S OFFICE**

November 9, 2015

To the Honorable Mayor and Members of the City Council and the Citizens of the City of Greenville, North Carolina:

It is our privilege to present the City of Greenville's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2015. In accordance with Generally Accepted Accounting Principles (GAAP), as mandated by the Governmental Accounting Standards Board, this report has been prepared to comply with these requirements.

To provide a reasonable basis for making these assessments and to compile reliable information for the preparation of the City's financial statements, the City has a comprehensive internal control framework. These internal controls ensure the protection of assets against loss, unauthorized use and theft, as well as provide reasonable assurance that the City's financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

The City is required by State law to have an annual independent financial audit. A compliance audit on federal and state financial assistance is also required under the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act. Cherry Bekaert LLP, a certified public accounting firm, conducted the audits and concluded in an unmodified opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and changes in financial position for the City of Greenville, North Carolina, as of June 30, 2015. The Report of the Independent Auditor is located at the beginning of the financial section of this report. The results of the compliance "Single Audit" show no material internal control of material violations of laws relative to federal or state programs. These reports are available in the "Single Audit" section of this report.

As part of the annual financial presentation, we are required to 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 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 Greenville is the 10<sup>th</sup> largest city in North Carolina and is affectionately referred to as the "Hub of Eastern North Carolina." Greenville serves as the county seat for Pitt County and comprises roughly 50% of the County's population within its 35 square miles. Founded in 1771 as Martinsborough (named for the Royal Governor Josiah Martin, and later renamed for General Nathanael Greene), Greenville sits on the banks of the Tar River as the economic, education and medical capital of Eastern North Carolina, with a growing population of approximately 89,852.

The City operates under a council-manager form of government. The seven-member City Council is the policy-making and legislative body of City government. The Council enacts local laws and ordinances, adopts the annual budget and financial plan for the operations of the City, and authorizes contracts for the City. The Mayor is the presiding officer of the Council and signs all documents authorized by Council.

Five of the seven Council members are elected from individual districts, and two members, including the Mayor, are elected at-large. A Mayor Pro-Tem, who will assume mayoral duties in the absence of the Mayor, is selected from the members of the newly elected Council body. Each of the Council members, including the Mayor, serves two-year terms and is elected on a biannual basis. The Council also appoints the City Manager, City Attorney, City Clerk, and members of the volunteer boards and commissions. The City Manager is responsible for implementing Council policies, City ordinances, managing daily operations, and appointing department directors.

The Greenville City Council is required to adopt a budget by July 1st of each year. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for its financial planning control. The City Manager is authorized by the budget ordinance to make certain limited transfers within funds to facilitate budget execution consistent with Council intent.

The City provides a full range of services including police and fire protection, planning and zoning, community and economic development, recreational activities and parks, refuse, recycling, and other sanitation services, stormwater and drainage, fixed-route transit services, regional transportation planning services, general administrative and technological services, and the construction and maintenance of City streets, sidewalks, and other associated infrastructure. Certain planning and utility services are provided outside the City's municipal boundary in its extraterritorial area to provide for orderly growth.

## **Local Economy**

Greenville continues to be an attractive place to live and work and is one of the most rapidly growing areas in Eastern North Carolina. At the heart of Greenville are two large, very significant economic generators – East Carolina University (ECU) and Vidant Medical Center. Their presence and growth have allowed Greenville to grow into a prosperous “uni-med” community. In the educational area, ECU is one of the largest universities in the University of North Carolina system with more than 27,000 students and contributes to the employment of roughly 9,100 people in the education field. Ranked the #8 hospital in North Carolina by *U.S. News & World Report*, Vidant Medical Center anchors a medical community that employs around 7,000 health care professionals in Greenville and has a serving reach of 29 counties across Eastern North Carolina.

ECU's Centennial Campus offers more than 4.8 million square feet of academic research and residential space. The Health Sciences Campus includes the Brody School of Medicine, the James and Connie Maynard Children's Hospital, the East Carolina Heart Institute, the Leo Jenkins Cancer Center, and the Allied Health Center-composed of the College of Nursing, Laupus Medical Library, and the College of Allied Health Science. ECU's School of Dental Medicine, which opened in 2011, is housed at the Health Sciences Campus, but has clinics spread around the region to reach out to and serve underserved communities with dental care. Additionally, ECU houses the West Campus, which is the home of the North Carolina Agromedicine Institute; partners for Health and Safety in Agriculture, Forestry, and Fisheries.

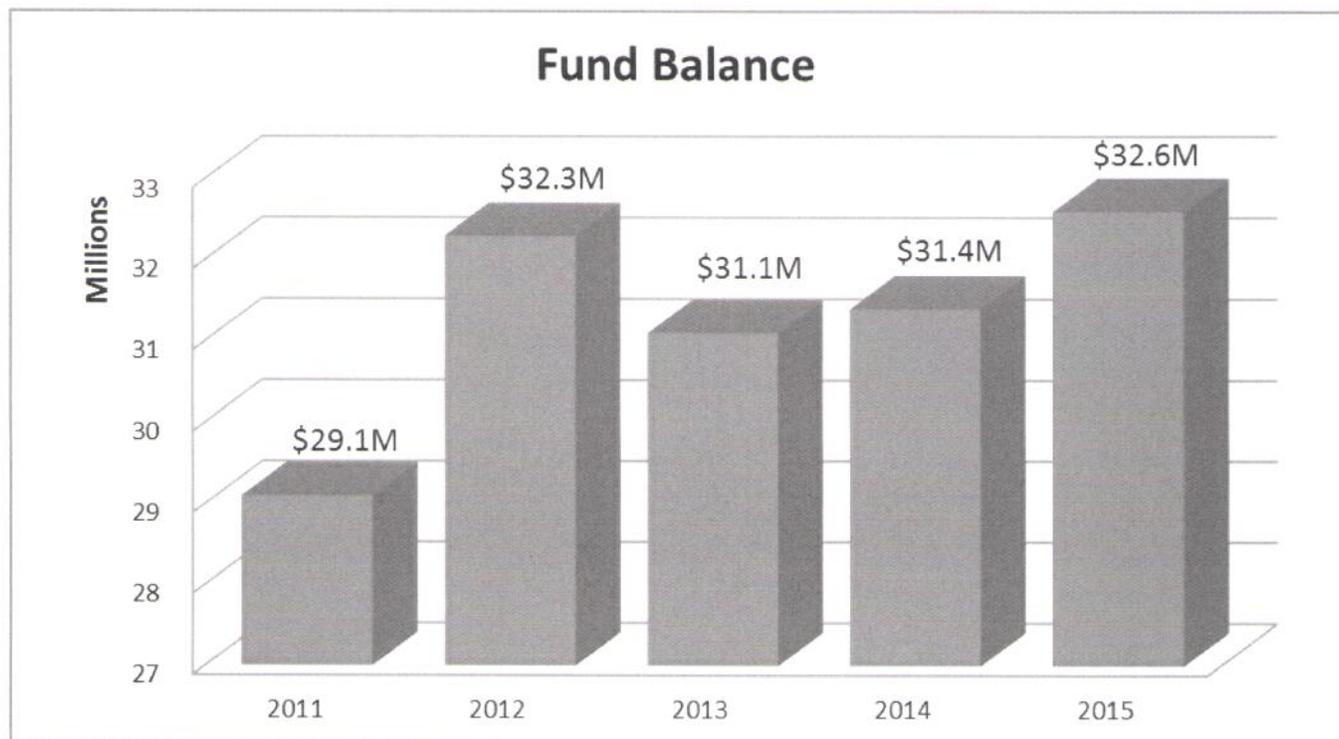
Pitt Community College (PCC) is one of the top community colleges in the state, earning “Exceptional Institutional Performance” status – only one of 11 in the state to have earned that distinction. PCC offers more than 200 classes via the Internet, telecourses, as well as community-based continuing education courses for students in the Greenville area. Additionally, Miller-Motte College provides private career education as well as the public K-12 system, Pitt County Schools (PCS), and is accredited by the Southern Association of Colleges and Schools.

An off-shoot to being a “uni-med” community is the bio-med businesses which thrive in the uni-med environment. Several medical innovations have been developed in Greenville including robotic heart valve replacement surgery and an implant to help patients overcome stuttering. Greenville is also home to a very important bio-pharmaceutical cluster, providing significant employment to our residents and the surrounding area. Patheon Pharmaceuticals is an important component of this cluster.

Much of the manufacturing in Greenville is located outside of the city limits, but inside the extra-territorial jurisdiction (ETJ). This provides stable employment for Greenville’s residents, but does not provide the property tax base which would help Greenville provide city services. DSM Dyneema, which produces components in ropes, cables, and nets for the fishing and shipping industry, NACCO Materials Handling Group, which designs, engineers, and manufactures materials handling equipment, ASMO, which produces front wiper motor linkages, rear wiper motors, arms, and blades and radiator fan motors for its North American customers, and Grady-White Boats, which has a legendary reputation for designing and producing outstanding fiberglass boats all call Greenville home.

### Economic Impact to the City

The City worked through FY 2015's budget having to consider different priorities than those of FY 2014. The prior year's challenge was how to catch up on the Capital Improvement projects that were deferred based on decisions from the past. As a result, \$4.0 million was invested into street improvements and \$7.0 million was appropriated from Fund Balance to address other projects of importance. In FY 2015, \$16.6 million in Sales tax was collected, increasing 12% when compared to prior year. This increase is primarily due to end of a sales tax take back at the State level. Increased construction and permits were issued in the city during the year, which caused an increase in supplies and materials purchases, as well as the recognition of inspection fees. In addition, FY 2015 revenues included a \$.02 property tax rate increase, from \$.52 to \$.54 per \$100 valuation, creating additional revenue to fund the newly created Facilities Improvement Fund and to replace the City's privilege license revenue that was eliminated by the North Carolina General Assembly. Based on revenues of \$77.4 million and expenses of \$76.2 million, the City's General Fund experienced a net increase in fund balance by \$1,165,464; therefore not having to use any of the fund balance that was appropriated for use during the year.



The City of Greenville maintains a healthy total fund balance of approximately \$32.6 million and continues to exceed the 14% unassigned fund balance policy established by City Council. Furthermore, the City of Greenville has maintained a relatively low level of debt with total governmental backed debt accounting for approximately \$37 million. Total City debt is \$142 million.

As of June 30, 2015, the City of Greenville maintained strong bond ratings with Moody's and Standard and Poor's of Aa2 and AA, respectively.

### **Long-Term Financial Planning and Major Initiatives**

Some of our recent investments in business opportunities, in conjunction with our community partners, including East Carolina University, Pitt Community College, Vidant Medical Center, Greenville-Pitt County Chamber of Commerce, Pitt County Committee of 100, and Greenville Utilities Commission (GUC), among others, are assisting the City in becoming a pharmaceutical hub. These activities have already generated significant private investment and additional high-wage jobs for the Greenville community. Staff will continue to foster these and other economic development initiatives and continue to facilitate partnerships to generate new economic activity.

In addition to economic activity, the city will also continue to invest in the City's buildings and infrastructure. This is evident in a bond referendum in the amount of \$15.85 million

### **Awards and Acknowledgements**

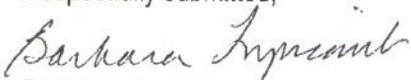
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Greenville for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 25<sup>th</sup> consecutive year that Greenville has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a period of one year only. The CAFR for the fiscal year ended June 30, 2015 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements.

The combined enterprise fund unit financial report for Greenville Utilities Commission (GUC) for the fiscal year ended June 30, 2014 was also awarded a GFOA Certificate of Achievement.

I want to thank the staff of the Financial Services Department for their efforts in preparing this report and all City departments for their cooperation and assistance throughout the past year. I also want to thank the Mayor and City Council in providing leadership and taking the necessary actions to continue a standard of financial excellence for the City.

As required by North Carolina General Statute 159-34, a copy of this report will be filed with the Secretary of the North Carolina Local Government Commission. In addition, a copy will be sent to the City Clerk to be available for public inspection.

Respectfully submitted,



Barbara Lipscomb  
City Manager



Government Finance Officers Association

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

Presented to

**City of Greenville  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

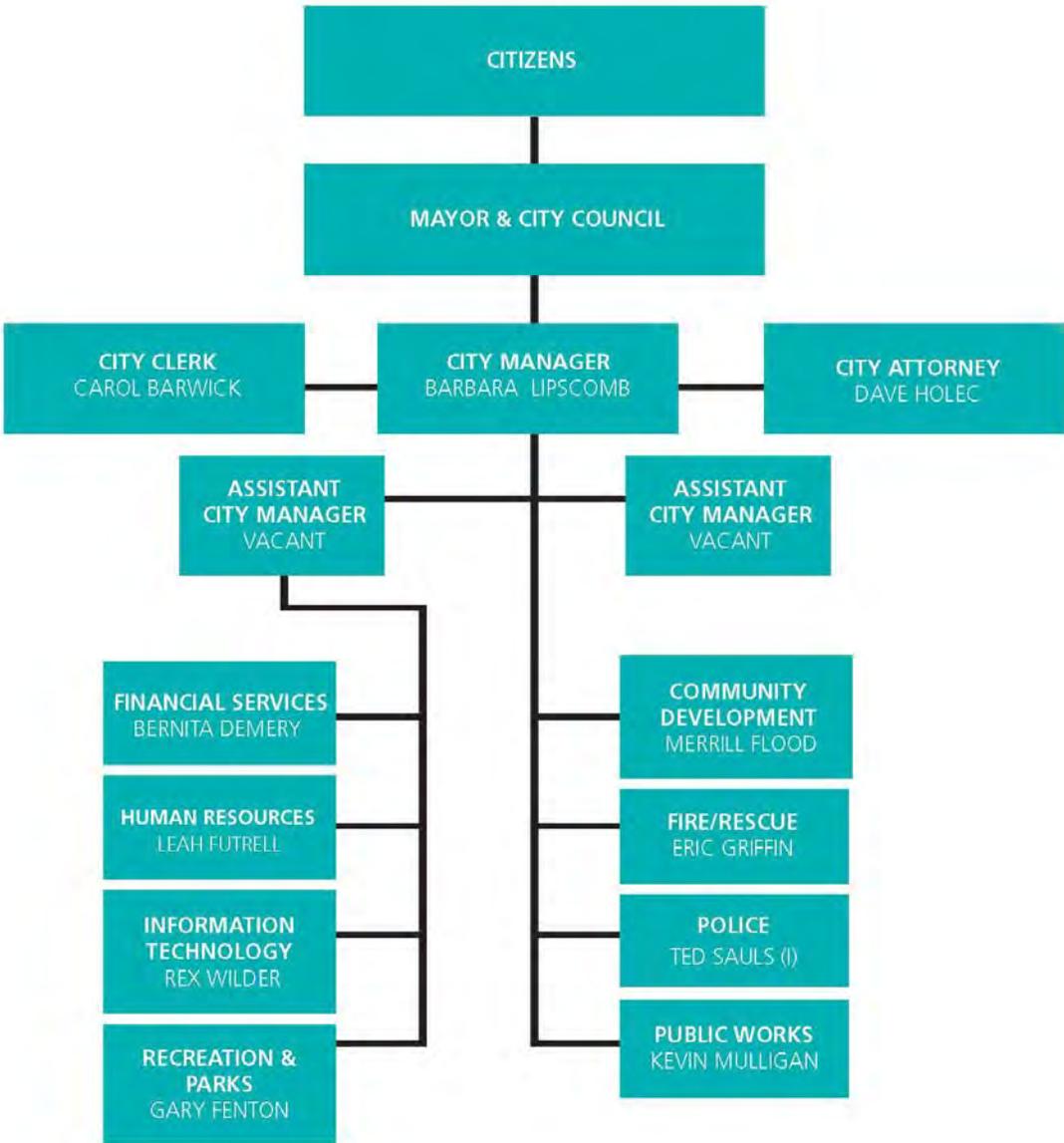
Executive Director/CEO

**CITY OF GREENVILLE, NORTH CAROLINA**  
**ORGANIZATION CHART**

---



*Find yourself in good company*



**CITY OF GREENVILLE, NORTH CAROLINA**  
**CITY OFFICIALS**

---

CITY OFFICIALS



Mayor Allen Thomas



Mayor Pro-tem Calvin Mercer  
Council Member at-Large



Council Member  
Kandie Smith  
District 1



Council Member  
Rose Glover  
District 2



Council Member  
Marion Blackburn  
District 3



Council Member  
Rick Smiley  
District 4



Council Member  
Richard Croskery  
District 5



# FINANCIAL SECTION

FY 2015 Comprehensive Annual Financial Report



## Report of Independent Auditor

The Honorable Mayor  
and Members of the City Council  
City of Greenville  
Greenville, 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 Greenville, North Carolina (the "City") as of and for the year ended June 30, 2015, 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 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 City'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 City'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, based on our audit, 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 as of June 30, 2015, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. Additionally the City adopted an alternate accounting principle for the accounting treatment and reporting of long-term loan receivables effective July 1, 2014. As a result, fund balance as of June 30, 2014 has been restated. Our opinion is not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents 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 any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, supplementary information, the statistical section, and the Schedule of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, and the Schedule of Expenditures of Federal and State Awards, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the supplementary information and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements 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 November 9, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Raleigh, North Carolina  
November 9, 2015



*Find yourself in good company*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greenville, we offer readers of the City's financial statements, this narrative and analysis of the financial activities for the fiscal year ended June 30, 2015. We encourage readers to read the information presented in conjunction with the preceding transmittal letter and the additional information included in the City's financial statements that follow.

### FINANCIAL HIGHLIGHTS

Highlights of the City's fiscal year ended June 30, 2015 include:

- The assets and deferred outflows of resources of the City of Greenville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$542,612,140 (*net position*). Of this amount, \$93,793,221 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$11,225,037. The City's net position changed due to Governmental Activities and Business-type activities by \$2,173,713 and \$9,051,324, respectively. The Governmental Activities increase is primarily due to the issuance of debt via a Special Revenue bond in the amount of \$4,200,000 to complete an additional expansion of the Convention Center under Phase III. The business-type activities increased due to positive operating revenues. These increases are the net results after prior period adjustments that had to be booked for the implementation of GASB Statement 68.
- The City of Greenville's governmental funds reported combined ending fund balances of \$43,273,589, a minimal decrease of \$837,587 in comparison with the prior year. The decrease is directly linked to the implementation change in accounting for Long-Term Revolving Loans. This change took effect for financial statements reported as of June 30, 2015, which reports a prior period adjustment and eliminates the deferred inflow of resources that previously resulted from loans receivable. Approximately 38% of the total fund balance within the General Fund, or \$16,294,750, is available for spending at the government's discretion. Of this amount, 76% is considered unassigned fund balance. The Governmental Fund Unassigned fund balance decreased \$8,289,469 as a result of the City having to cover certain cash amounts resulting within other funds. The amounts either have not been received yet as of the balance sheet date, or the fees have not been set at levels to cover the spending. Approximately 59% of the total amount, or \$25,462,076, is non-spendable or restricted.
- Unassigned fund balance for the General Fund was \$12,426,286, or 16% of total General Fund expenditures (including transfers out) for the fiscal year. Overall, the fund balance, from current year's activity, for the General Fund increased by \$1,165,464, when compared to prior year. This increase can be directly linked to the increases experienced by the Sales Tax and Utilities Franchise tax receipts. Additionally, management's decision to defer certain projects also influenced net results. Overall, the revenue increased at a faster rate than expenses, having increases of four percent and three percent, respectively.
- The City of Greenville's total debt, including the Greenville Utilities Commission managed debt (excluding Law Enforcement Officer Separation Allowance, OPEB and Compensated Absences liabilities) had a net decrease of \$10.22 million during the current fiscal year due largely to the pay down of debt within the business-type activities as managed by GUC.

- In January of 2015, the City of Greenville entered into a Special Revenue Bond to expand the City's Convention Center \$4.2 million. The term of this agreement is 13 years. In addition, in preparation for the City's implementation of a full "front yard" service for sanitation pickup, the City issued the second round of installment funds of \$360,000 to purchase new carts.

In addition, the City recognized the following accomplishments:

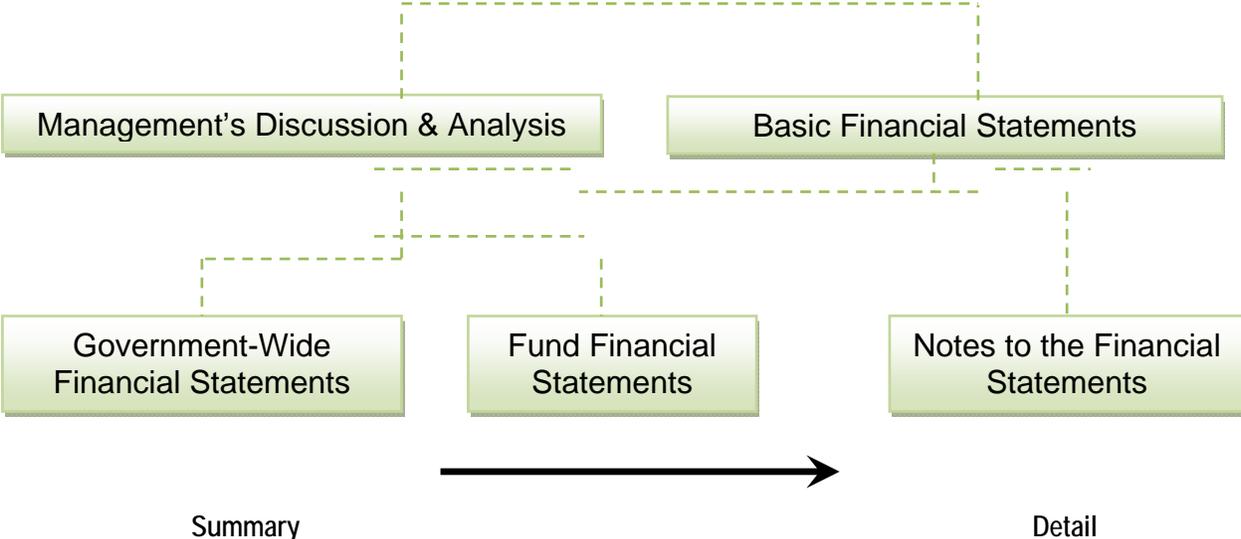
- For the 25th consecutive year, the GFOA of the United States and Canada has bestowed the highest form of recognition of governmental accounting and financial reporting, the Certificate of Achievement for Excellence in Financial Reporting, to the City of Greenville.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Greenville'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 of Greenville.

**Required Components of Annual Financial Report**

Figure 1



## BASIC FINANCIAL STATEMENTS

The first two statements (Exhibits A and B) 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 (Exhibits C through K) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary 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, **Supplemental Information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes can also 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 report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows and resources and total liabilities and deferred inflows and resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services, such as general administration, public safety, transportation, environmental protection, cultural and recreational activities, and economic and physical development. Property taxes, other taxes, charges for services, and Federal and State grant funds finance most of these activities. The business-type activities are those that function as an enterprise and rely principally on user fees to support those services. These include the electric, water, sewer, gas, transportation, stormwater utility, and sanitation offered by the City of Greenville. The government-wide financial statements are on Exhibits A and B of this report.

## FUND FINANCIAL STATEMENTS

The fund financial statements beginning with Exhibit C 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 of Greenville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Greenville can be divided into the 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 flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which 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 governmental 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 of Greenville adopts an annual budget for its General Fund, as required by the General Statutes. Biennially, the City also approves a financial operating plan that includes a two-year budget and five years Capital Improvement Program. 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 concerning which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance those current period activities. The budgetary statement provided for the General Fund demonstrates 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.

**Proprietary Funds** – The City of Greenville has two different kinds of proprietary funds: enterprise and internal service.

**Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Greenville uses enterprise funds to account for its electric, water, sewer, gas, transportation, sanitation, and stormwater utility. 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 accounting devices used to accumulate and allocate costs internally among the functions of the City of Greenville and Greenville Utilities Commission. The City of Greenville currently has three functioning internal service funds. The City uses internal service funds to account for its fleet maintenance program, health insurance, and the management and purchase of replacement vehicles. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds** – Fiduciary funds are used to report assets that are held in a trustee or agency capacity for others and, therefore, cannot be used to support other government activities. The City of Greenville has the Other Post-Employee Benefits (OPEB) Trust Fund to account for resources that are held in a trust for the employees.

## 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 follow Exhibit K 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 of Greenville's progress in funding its obligation to provide pension benefits for the law enforcement officers through the special separation allowance. Required supplementary information can be found following the notes section of this report.

## INTERDEPENDENCE WITH OTHER ENTITIES:

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of net position as of June 30, 2015 (as shown in Exhibit A) with comparative data for June 30, 2014.

**City of Greenville's Net Position**  
**Figure 2**

	Government Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 65,668,989	\$ 64,380,555	\$ 122,115,407	\$ 122,886,149	\$ 187,784,396	\$ 187,266,704
Investment in joint venture	21,242,806	19,549,525	-	-	21,242,806	19,549,525
Capital assets, non-depreciable	83,899,739	75,433,998	59,184,566	50,026,157	143,084,305	125,460,155
Capital assets, net	99,633,799	99,639,405	317,581,313	318,242,895	417,215,112	417,882,300
Deferred outflows of resources	3,385,072	1,076,346	3,111,357	1,166,979	6,496,429	2,243,325
<b>Total assets and deferred outflows of resources</b>	<b>\$ 273,830,405</b>	<b>\$ 260,079,829</b>	<b>\$ 501,992,643</b>	<b>\$ 492,322,180</b>	<b>\$ 775,823,048</b>	<b>\$ 752,402,009</b>
Long-term liabilities outstanding	\$ 61,655,447	\$ 58,792,317	\$ 120,783,792	\$ 130,776,402	\$ 182,439,239	\$ 189,568,719
Other liabilities	7,127,987	8,250,916	26,665,915	23,193,950	33,793,902	31,444,866
Deferred inflows of resources	9,837,985	1,611	7,139,782	-	16,977,767	1,611
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 78,621,419</b>	<b>\$ 67,044,844</b>	<b>\$ 154,589,489</b>	<b>\$ 153,970,352</b>	<b>\$ 233,210,908</b>	<b>\$ 221,015,196</b>
Net position:						
Investments in capital assets, net						
investment in capital assets	\$ 154,683,990	\$ 144,124,579	\$ 277,247,666	\$ 258,321,505	\$ 431,931,656	\$ 402,446,084
Restricted	16,887,263	12,060,878	-	-	16,887,263	12,060,878
Unrestricted	23,637,733	36,849,528	70,155,488	80,030,323	93,793,221	116,879,851
<b>Total net position</b>	<b>\$ 195,208,986</b>	<b>\$ 193,034,985</b>	<b>\$ 347,403,154</b>	<b>\$ 338,351,828</b>	<b>\$ 542,612,140</b>	<b>\$ 531,386,813</b>

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 the City of Greenville's government-wide activities exceeded its liabilities and deferred inflows at the close of the fiscal year by \$542,612,140 (*net position*). The City's net position increased by \$11,225,327 for the fiscal year ended June 30, 2015, when compared to prior year. However, the largest portion (77%) 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 of Greenville'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 of Greenville's net position, \$16,887,263, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$93,793,221 can be used to meet the City's ongoing obligations to citizens and creditors (*unrestricted*). Also, the City of Greenville implemented GASB Statement 68 this year. With the new reporting change, the City is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$8,951,636. Decisions regarding the allocations are made by the administrators of the pension plan, not by the City of Greenville's management.

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- Continued low cost of debt through the City's bond rating. The City entered into a Special Revenue Bond at a rate of 3.25% for 15 years, and a seven-year installment agreement over seven years for sanitation carts.
- Property tax collection percentage of 98.57%.

At the end of the current fiscal year, the City of Greenville is able to report positive balances in both governmental and business-type net position for the City as a whole. The same situation held true for the prior fiscal year as detailed in the changes in net position.

### City of Greenville's Changes in Net Position Figure 3

	Government Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Charges for services	\$ 10,307,074	\$ 10,265,722	\$ 285,391,126	\$ 283,347,848	\$ 295,698,200	\$ 293,613,570
Operating grants and contributions	3,211,482	3,540,461	804,120	901,365	4,015,602	4,441,826
Capital grants and contributions	2,788,257	3,214,122	3,104,709	1,162,335	5,892,966	4,376,457
General Revenues:						
Ad valorem taxes	32,501,704	31,914,967	-	-	32,501,704	31,914,967
Other taxes	13,204,162	11,730,864	-	-	13,204,162	11,730,864
Other	14,152,660	12,827,053	283,767	209,146	14,436,427	13,036,199
<b>Total Revenues</b>	<b>76,165,339</b>	<b>73,493,189</b>	<b>289,583,722</b>	<b>285,620,694</b>	<b>365,749,061</b>	<b>359,113,883</b>
<b>Expenses</b>						
General governmental	25,010,978	19,960,224	-	-	25,010,978	19,960,224
Public Safety	26,262,412	28,939,261	-	-	26,262,412	28,939,261
Transportation	5,939,122	7,462,526	-	-	5,939,122	7,462,526
Cultural and recreation	5,765,059	3,203,720	-	-	5,765,059	3,203,720
Economic and physical development	10,780,719	13,496,846	-	-	10,780,719	13,496,846
Interest and fees	1,033,931	894,001	-	-	1,033,931	894,001
Electric	-	-	189,010,144	195,184,455	189,010,144	195,184,455
Water	-	-	16,201,120	16,236,718	16,201,120	16,236,718
Sewer	-	-	17,667,203	17,333,548	17,667,203	17,333,548
Gas	-	-	31,718,396	32,518,729	31,718,396	32,518,729
Public Transportation	-	-	3,405,651	2,458,660	3,405,651	2,458,660
Stormwater Utility	-	-	5,836,679	2,944,950	5,836,679	2,944,950
Sanitation	-	-	6,940,972	7,358,342	6,940,972	7,358,342
<b>Total Expense</b>	<b>74,792,221</b>	<b>73,956,578</b>	<b>270,780,165</b>	<b>274,035,402</b>	<b>345,572,386</b>	<b>347,991,980</b>
Increase in net position before transfers	1,373,118	(463,389)	18,803,557	11,585,292	20,176,675	11,121,903
Transfers	5,803,600	5,596,713	(5,803,600)	(5,596,713)	-	-
Increase in net position	7,176,718	5,133,324	12,999,957	5,988,579	20,176,675	11,121,903
Net position, July 1	193,035,273	187,901,661	338,351,828	332,363,249	531,387,101	520,264,910
Restatement	(5,003,005)	-	(3,948,631)	-	(8,951,636)	-
Beginning of year restated	188,032,268	187,901,661	334,403,197	332,363,249	522,435,465	520,264,910
Net position, June 30	\$ 195,208,986	\$ 193,034,985	\$ 347,403,154	\$ 338,351,828	\$ 542,612,140	\$ 531,386,813

**Governmental Activities:** Governmental activities increased the City's net position by \$2,174,001. Of total net position, governmental activities accounted for \$195,208,986, or 36%. Key elements of this increase are as follows:

- Property tax increased approximately 2% due in large to the additional cent that was adopted changing the tax rate from \$.52 to \$.54. This rate change was adopted as a run year rate increase to offset the costs that were to be incurred by the new Facility Improvement Fund. Additionally, Sales tax and the Utilities Franchise tax increased, 12% and 16%, respectively. The Sales tax increase is directly related to the increased retail establishments within the City limits. The Recent tax reform law eliminates the State and Local franchise tax on electricity and natural gas and applies the combined general sales tax rate of seven percent to the sale of both. This has resulted in the increased Utilities Franchise Tax. Most other revenue remained relatively the same.

**Business-Type Activities:** Of the \$347,403,154 total net position, the Greenville Utilities Commission has net position of \$341,670,494, or 98.3% as of June 30, 2014. Of this amount, \$69,457,759 (unrestricted net position) may be used to meet the Commission's ongoing obligations to its customers and creditors. This represents an unrestricted fund balance of 29% of total Commission expenses for the fiscal year. Overall, business-type activities increased the City of Greenville's net position by \$9,051,326, of which the Commission contributes more than 100% of that change. This makes up almost 100% of the total business-type activities increase in net position. The key element of this increase is due to total revenues that increased 0.4% and exceeded total expenses, which decreased by 2.6%. Rate increases were the primary reason revenues increased and a 4.3% decrease in purchased commodities was the primary reason the total expenses decreased.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

**Governmental Funds:** The focus of the City of Greenville'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 of Greenville's financing requirements. Specifically, unassigned fund balance can be a useful measure of the City's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Greenville. At the end of the current fiscal year, available fund balance of the General Fund was \$16,294,750, while total fund balance was \$32,579,539. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures (including transfers out). Available fund balance represents 21.37% of total General Fund expenditures, while total fund balance represents 42.73% of that same amount. The Council for the City has determined that the City shall maintain an unassigned balance of 14% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the City. Currently, the 14% in unassigned fund balance equals almost two months of operational expenses. As of June 30, 2015, the governmental funds of the City of Greenville reported a combined fund balance of \$43,273,589, which is a two percent decrease from prior year due to issuance of new debt, which is offset by the spend down of bond proceeds.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on a monthly basis. 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. Total amendments to the General Fund budget increased revenues and other financing sources by \$5,954,129. When compared to the adjustments proposed last year, this is a more than 100% increase. The reason for this increase in large is due to the Street Improvements project that was delayed from fiscal year 2014 to fiscal year 2015. Additionally, there was no cutoff for FY 2014; therefore, the number of encumbrances that had to be accounted for in fiscal year 2015 was higher than the previous year.

The General Fund's operational revenues exceeded expenditures by \$6,011,241 (before other financing sources), increasing over 100% from the change experienced in FY 2014. General Fund total revenues increased four percent, with operating revenue increasing six percent. Operational expenditures decreased \$807,174, or 1.22%. Inclusive of other financing sources, General Fund revenues exceeded expenditures by \$1,165,464, increasing over 100% from FY 2014's net result.

While the budget amendments for the year amounted to approximately \$5.9 million, actual operating revenues remained within budget by a 1% margin. As mentioned previously, in operational income, Sales tax and Utilities Franchise tax show double digit increases during the current year due to an economic impact for the sales tax, and a change in State formula for the Utilities Franchise tax. Licenses, permits, and fees increased 67% due to the following: increased collection rate on Privilege Licenses (this is the last year for collection), police fees have increased due to the catch up on older billings, and the inspection fees have increased due to the increased economic development (i.e. Neighborhood Walmarts and student housing).

General Fund expenditures increased 3% in comparison to the prior year. Overall, all expenditure categories variances were less than 5%; however Community Development and other financing uses showed double digit variances when compared to prior year. Community Development is the department that would indicate a spur in economic initiatives within the City of Greenville. Also, during the current year there was a one-time transfer to establish a capital project fund to establish the fund for Street Improvements. This transfer was in the amount of \$2,650,000. Capital Improvement costs declined 28% as of June 30, due to moving the capital costs association with facilities to a separate fund. However, the actual spending as compared to budget was consistent with previous years, spending between 50%-60% of budget. Overall, there was no unusual or significant activity noted within General Fund expenditures during FY 2015.

*Proprietary Funds:* The City of Greenville's proprietary funds provide the same type of information found in the business-type activities of the government-wide statements but in more detail. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Greenville's business-type activities.

## CAPITAL ASSET AND DEBT ADMINISTRATION

*Capital Assets:* The City of Greenville's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totals \$431,931,656 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset events for the City during the year include the following:

- COPS Law Enforcement Technology – 3.3 M
- Establish the Facility Improvement Fund - \$700K

Utilities Commission major capital asset events included:

- Investment in Enterprise Resource Planning software configuration totaling \$7,837,809
- Electric distribution line improvements and extensions totaling \$4,952,854
- Electric distribution substations improvements totaling \$552,496
- Water treatment plant improvements totaling \$381,536
- Water main improvements and extensions totaling \$188,279
- Wastewater treatment plant improvements totaling \$1,227,845
- Construction activities for the Sterling Pointe and Westside wastewater pump stations and force mains totaling \$1,142,184
- Natural gas main improvements and extensions totaling \$621,620
- Construction activities at the liquefied natural gas plant totaling \$2,757,118
- Construction activities at the natural gas vehicle fueling station totaling \$1,794,825

Additional information on the City's capital assets can be found in the notes of this report.

**City of Greenville's Capital Assets**  
**Figure 4**

	Government Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 40,834,897	\$ 40,773,921	\$ 3,628,897	\$ 3,595,641	\$ 44,463,794	\$ 44,369,562
Right-of-Way Easement	7,566,813	7,419,133	36,792	51,382	7,603,605	7,470,515
Construction in Progress	35,498,029	27,240,944	55,518,877	46,379,134	91,016,906	73,620,078
Buildings/Plants	58,120,968	58,041,949	145,893,926	137,601,535	204,014,894	195,643,484
Other Improvements	9,440,800	8,848,922	-	-	9,440,800	8,848,922
Infrastructure	79,702,082	79,216,738	7,637,768	7,531,963	87,339,850	86,748,701
Machinery and Equipment	20,614,003	18,955,021	7,285,374	6,639,407	27,899,377	25,594,428
Land Rights	-	-	2,854,344	2,720,730	2,854,344	2,720,730
Furniture and Office Equipment	-	-	11,315,595	9,926,074	11,315,595	9,926,074
Vehicles and Equipment	21,192,751	16,904,331	24,510,824	22,110,192	45,703,575	39,014,523
Distribution Systems	-	-	416,422,137	412,176,745	416,422,137	412,176,745
Transmission Systems	-	-	33,171,940	33,097,055	33,171,940	33,097,055
<b>Subtotal</b>	<u>272,970,343</u>	<u>257,400,959</u>	<u>708,276,474</u>	<u>681,829,858</u>	<u>981,246,817</u>	<u>939,230,817</u>
Accumulated Depreciation	<u>(89,436,806)</u>	<u>(82,327,556)</u>	<u>(331,510,595)</u>	<u>(313,560,806)</u>	<u>(420,947,401)</u>	<u>(395,888,362)</u>
Capital assets, net	<u>\$ 183,533,537</u>	<u>\$ 175,073,403</u>	<u>\$ 376,765,879</u>	<u>\$ 368,269,052</u>	<u>\$ 560,299,416</u>	<u>\$ 543,342,455</u>

Additional information on the City's capital assets can be found in Note 3 of the Basic Financial Statements.

**Long-Term Debt:** As of June 30, 2015, the City of Greenville had total debt outstanding of \$142,396,802 (excluding compensated absences, Other Post-Employment Benefits (OPEB), and Law Enforcement Officer (LEO) Separation Allowance. Of this, \$37,013,456 is debt government backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured by fees collected by the enterprise funds.

**City of Greenville's Outstanding Debt**  
**General Obligation and Revenue Bonds**  
**Figure 5**

	Government Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 9,394,015	\$ 10,222,476	\$ 4,012,987	\$ 4,207,524	\$ 13,407,002	\$ 14,430,000
Special Obligation (Revenue) Bonds	6,925,000	3,165,000	64,400,999	72,136,399	71,325,999	75,301,399
Installment Purchase Contracts	20,694,441	23,192,045	630,000	315,000	21,324,441	23,507,045
Other Debt (GUC)	-	-	36,339,360	39,377,637	36,339,360	39,377,637
<b>Total</b>	<u>\$ 37,013,456</u>	<u>\$ 36,579,521</u>	<u>\$ 105,383,346</u>	<u>\$ 116,036,560</u>	<u>\$ 142,396,802</u>	<u>\$ 152,616,081</u>

Total net debt (excluding compensated absences, Other Post-Employment Benefits (OPEB), and Law Enforcement Officer (LEO) Separation Allowance) has decreased by \$10,219,279 million (7%) during the current fiscal year. The majority of this change is due to GUC's retirement of debt. For GUC, the key factor in this decrease was the net retirement of \$10,773,678 of existing debt.

As previously mentioned, as of June 30, 2015 the City maintained strong bond ratings with Standard and Poor's and Moody's, of AA and Aa2, respectively. The City of Greenville is one of a select few cities in eastern North Carolina that maintains this high financial rating from both major rating agencies. This achievement was a primary factor in keeping interest costs low on the City's outstanding debt. The Commission obtained an upgrade by Moody's invested this year to Aa2 with a stable outlook due to their stable service area, consistent operating/capital financial performance, and competitive rates.

North Carolina General Statutes restrict the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that unit's boundaries. The legal debt margin for the City of Greenville is approximately \$347M. The City has no authorized, but unissued, debt as of June 30, 2015.

Additional information regarding the City of Greenville's long-term debt can be found in Note 3 to the financial statements of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Budgeting for fiscal year 2015 continued to be a challenge for the City as the recovery from the economic downturn did not manifest as anticipated. The City has grown from a population of 84,554 in 2010 to 89,852, which represents an increase of 6%.

Eastern North Carolina has been and continues to be challenged economically as it transitions from a strong agricultural economy to the service/information environment that is apparent today. As the heart of Eastern North Carolina, the Greenville area is the center of a hardy economic hub. The Greenville area provides economic opportunity throughout our surrounding counties in such areas as medical and health services, education, recreational and cultural offerings, as well as others. Even so, the City of Greenville is continuing to emerge from the effects of the worst recession in our history—a recovery that has been slower than anticipated. Recovery for local governments normally lags behind the private sector. Although staff is seeing some hopeful indicators in certain revenues, the budget maintains current service levels and provides a very limited number of new programs and capital projects to move the City forward.

The City continues to face challenges posed by the economy, declining State support for City services, and limited revenue enhancements. For FY 2016, the budget process was modified to take a more detailed look at revenue projections and the amount of appropriations remaining in departmental budgets at the close of the fiscal year. Revenues for FY 2016 have been decreased to more clearly reflect historical trends and provide more accurate and conservative estimates, including a reduction in the tax rate from \$.54 to \$.53, as directed by the City Council. While the reduction will not change our relative position among the top 15 cities in the state in regards to the property tax rankings, it should be noted that on a per capita basis, Greenville's tax base is not as robust as other communities, producing only \$6.93 on a per capita basis. With the new Tag and Tax program being administered by the State, the City has seen an increase in monthly revenues. Collections are now significantly closer to 100% as opposed to prior collection rates in the 80% range. Additionally, the North Carolina League of Municipalities is projecting that sales tax revenues will be 4% above the FY 2015 collections. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2016 budget, a conservative approach has been chosen.

The Utilities Commission service area includes a diverse local economy including a solid manufacturing base, the 3rd largest university in the state and an 861 bed teaching hospital. The Utilities Commission provides services in the Greenville metropolitan statistical area which continues to expand and is experiencing increasing employment and rising wages for workers. The Utilities Commission's budget for fiscal year 2016 was developed anticipating modest economic growth and a 9% increase in capital expenditures, compared to the previous year's budget, to maintain and expand utility infrastructure. The Utilities Commission's goal remains to be the regional utility provider of choice and that goal is reflected in the financial planning for next fiscal year.

## BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2016

**Governmental Activities:** The General Fund is the City's primary general government operating fund and is budgeted at \$78,105,680 for FY 2016, which is relatively flat, making up a less than one percent decrease when compared to the prior year's adopted amount of \$78,550,087. Moreover, the fiscal year (FY) 2016 original budget is also less than a one percent increase over fiscal year 2015 actuals. There is no denying that although the economy continues to show some signs of recovery, management had to approach the fiscal year 2015 budget with the same caution as the previous year. Some of the considerations/strategies that were used are as follows:

- One cent increase in the property tax per \$100 Valuation
- Continued emphasis on capital investments and infrastructure improvements
- Strategically shifting existing resources to the most urgent priorities throughout the year
- Adjusting for the elimination of Privilege License revenue throughout the State.

Below is a forecast for major sources of the City's General Fund revenues. The following sources make up approximately 70% of the revenue stream:

- **Property Taxes**
  - The approved FY 2016 Plan included property tax revenues of \$32,885,747. The adopted budget for FY 2016 reduces this estimate to \$32,020,369, which is a reduction of \$865,378, or 2.63%. This does reflect some growth in tax values, but also represents a reduction in the tax rate from \$.54 to \$.53, as directed by the City Council. While the reduction from \$.54 to \$.53 will not change our relative position among the top 15 cities in the state in regards to the property tax rankings, it should be noted that on a per capita basis, Greenville's tax base is not as robust as other communities, producing only \$6.93 on a per capita basis.
- **Sales Tax**
  - This revenue source is projected to generate 21% of total General Fund revenues in FY 2015. Sales Tax is historically difficult to project because it is a State-collected and distributed revenue. Changes in the distribution formula, distribution errors that required repayment, and variations in the timing of refunds and reallocations prevent prior years from being reliable indicators of future year distributions. For the FY 2016 budget, sales tax revenues are projected to be \$16,627,515. The North Carolina League of Municipalities is projecting that sales tax revenues will be 4% above the FY 2015 collections. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2016 budget, a conservative approach has been chosen.
- **Utilities Franchise Tax**
  - What has commonly been referred to as the Utilities Franchise Tax has now been changed to a sales tax on electricity, a sales tax on piped natural gas, and a sales tax on telecommunications. FY 2015 marked the first year of a new distribution method for the sales tax on electricity and piped natural gas. The general sales tax rate is now applied to the sale of both electricity and natural gas, and a percentage of the proceeds are returned to cities and towns. In the case of electricity, that percentage is 44% and for natural gas it is 20%. No additional changes were made to the telecommunication portion of the revenue source.

This revenue source for fiscal year 2015 increased approximately 16% from prior year. This occurred despite average temperatures for the quarters being relatively similar and consumption not increasing at a rate that would account for the increase in distributions. Utilities Franchise Tax is budgeted at \$6,052,187, which is \$172,919 or 2.9% higher than the Plan that was approved a year ago.

- **Appropriated Fund Balance**

- The final revenue source that should be noted is appropriated fund balance. The FY 2016 budget includes a base amount of \$200,000 to cover a contingency. This amount is always subject to change depending on the capital projects in any given year, unfinished projects, and open purchase orders that are carried into the following year. \$1,081,945 has been appropriated to carry over unspent funds from fiscal year 2014-2015. There is an additional appropriation of \$309,738 from the Powell Bill Fund. This amount is up slightly from the FY 2016 Original Plan.

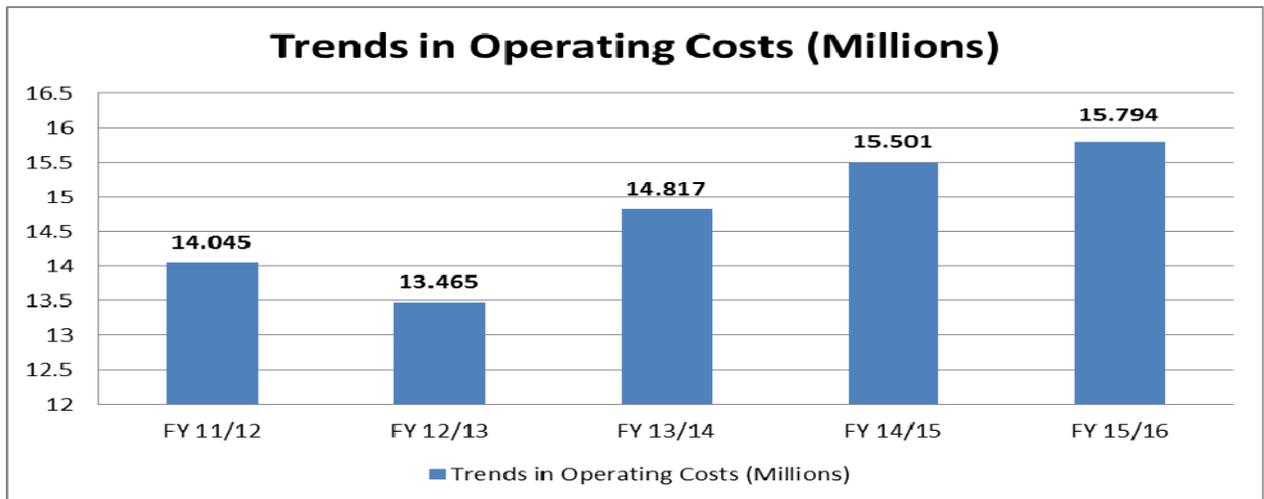
Below are highlights of the City's General Fund expenditures:

- **Personnel**

Salaries and benefits represent 64% of the total General Fund budget. In the adopted FY 2016 budget, personnel costs (including salaries and fringe benefits) make up just over 64% of the total budget. This budget includes a 2% market adjustment for all City employees as well as the full cost of the 5-year true-up study. For FY 2016, a Cemetery Supervisor position and a Streets Coordinator position will be "unfrozen" in the Public Works Department. The Internal Auditor position and the Financial Analyst position are being moved from Financial Services to the City Manager's budget to create the Office of Budget & Evaluation. These positions will work closely with the new Assistant City Manager approved in FY 2015 to provide more budget scrutiny and long-term capital project development. A 3% vacancy factor was applied to salary costs, which reduces this category's costs by \$1.2 million.

- **Operations**

This category makes up 20.2% of the total budget and represents a decrease of less than 1% from the original plan. For FY 2016, Operating Costs are budgeted at \$15,794,339.



**Business-Type Activities:** As previously mentioned, the largest component in the City's business-type activities is held by the Greenville Utilities Commission (GUC). Like organizations nation-wide, the Utilities Commission is dealing with increased costs as the country begins to emerge from the economic recession. The Utilities Commission's budget for fiscal year 2016 was developed anticipating modest economic growth and a 9% increase in capital expenditures, compared to the previous year's budget, to maintain and expand utility infrastructure. The Utilities Commission's goal remains to be the regional utility provider of choice and that goal is reflected in the financial planning for next fiscal year.

- Annual turnover or transfer of \$6,500,000 to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

*Activity from the minor Business-Type Activities includes the following:*

- **Stormwater Fund Fee Increase**

The Stormwater Utility is an enterprise fund established to implement the City's Stormwater Management Program. Revenues are generated through a stormwater fee to support program efforts. In 2013, staff worked to develop a plan to address stormwater needs citywide. This approach included basin modeling which is currently underway, a significant investment in the Town Creek Culvert, and increasing the stormwater fees over multiple years to fund the numerous system needs. The FY 16 budget includes an increase of \$.50 per ERU per month. The stormwater plan was developed to address stormwater needs citywide. This approach included basin modeling which is currently underway, a significant investment in the Town Creek Culvert project, and a reliable funding source for other stormwater system needs. The stormwater utility fees are projected to generate revenues of \$4,905,758. Capital projects to address drainage concerns will be developed from the recommendations of the Basin Study, which is anticipated to be completed by early 2016.

- **Sanitation Services Fee Increase**

The City provides sanitation service including garbage, recycling, and yard waste collection weekly. The Sanitation Fund is an enterprise fund that has required General Fund subsidies in recent years, primarily as a result of inefficient collection practices. To address this concern, in 2013 City Council adopted a multi-year plan that modernizes the City's collection practices, including the elimination of backyard service on July 1, 2017, and proposes a rate structure to make this service provision fully self-supporting. The City continues with its multi-year plan to modernize its collection practices. To make the service self-supporting, the FY 2016 budget includes a \$.75 per month rate increase for basic curbside collection, premium backyard collections, as well as multi-family collection. All revenue projections remain the same. The changes from the original plan were to increase personnel costs by \$15,673 and reduce operating costs by the same amount to account for the incremental increase of .75% to get the market increase up to 2%. Four Refuse Collector positions were reclassified to Sanitation Crew Leader I positions. Total approved budget for fiscal year 2016 is \$7,801,578.

## REQUESTS FOR INFORMATION

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be emailed directly to Bernita Demery, the Director of Financial Services at [bdemery@greenvillenc.gov](mailto:bdemery@greenvillenc.gov).



# BASIC FINANCIAL STATEMENTS

FY 2015 Comprehensive Annual Financial Report



**CITY OF GREENVILLE, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**

**Exhibit A**

June 30, 2015

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Assets:</b>			
Cash and investments	\$ 36,280,556	\$ 69,090,289	\$ 105,370,845
Taxes receivable, net	183,207	-	183,207
Accounts receivable, net	4,417,360	30,665,737	35,083,097
Interest receivable	925	-	925
Due from other governments	3,850,361	2,075,234	5,925,595
Inventories	15,274	6,408,435	6,423,709
Prepaid items	324,308	252,805	577,113
Internal balances	174,694	(174,694)	-
Restricted cash and investments	16,502,608	10,467,112	26,969,720
Notes receivable	-	414,022	414,022
Investment in joint venture	21,242,806	-	21,242,806
Net pension asset restricted	3,919,696	2,916,467	6,836,163
Capital assets:			
Non-depreciable	83,899,739	59,184,566	143,084,305
Depreciable, net	99,633,799	317,581,313	417,215,112
<b>Total assets</b>	<u>270,445,333</u>	<u>498,881,286</u>	<u>769,326,619</u>
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	2,416,361	2,138,071	4,554,432
Unamortized bond refunding charges	968,711	973,286	1,941,997
<b>Total deferred outflows of resources</b>	<u>3,385,072</u>	<u>3,111,357</u>	<u>6,496,429</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	5,814,547	21,988,355	27,802,902
Accrued interest payable	119,711	656,784	776,495
Other liabilities	755,105	-	755,105
Advances from grantors	438,624	-	438,624
Unearned revenue	-	283,471	283,471
Liabilities payable from restricted assets:			
Customer deposits	-	3,737,305	3,737,305
Long-term liabilities:			
Due within one year	5,958,441	12,290,758	18,249,199
Due in more than one year	55,697,006	108,493,034	164,190,040
<b>Total liabilities</b>	<u>68,783,434</u>	<u>147,449,707</u>	<u>216,233,141</u>
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	9,837,985	7,139,782	16,977,767
<b>Net Position:</b>			
Net investment in capital assets	154,683,990	277,247,666	431,931,656
Restricted for:			
Stabilization by State statute	13,594,368	-	13,594,368
Restricted for streets	2,236,910	-	2,236,910
General government	76,578	-	76,578
Economic development	55,973	-	55,973
Public safety	821,487	-	821,487
Cultural and recreational	101,947	-	101,947
Unrestricted	23,637,733	70,155,488	93,793,221
<b>Total net position</b>	<u>\$ 195,208,986</u>	<u>\$ 347,403,154</u>	<u>\$ 542,612,140</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**

**Exhibit B**

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 25,026,935	\$ 3,360,106	\$ 242,766	\$ -	\$ (21,424,063)	\$ -	\$ (21,424,063)
Public safety	26,262,412	5,541,902	56,043	-	(20,664,467)	-	(20,664,467)
Transportation	5,939,122	293,129	-	2,526,517	(3,119,476)	-	(3,119,476)
Cultural and recreational	5,765,059	1,092,920	1,018,759	-	(3,653,380)	-	(3,653,380)
Economic and physical development	10,780,719	19,017	1,893,914	261,740	(8,606,048)	-	(8,606,048)
Interest and fees	1,017,974	-	-	-	(1,017,974)	-	(1,017,974)
Total governmental activities	<u>74,792,221</u>	<u>10,307,074</u>	<u>3,211,482</u>	<u>2,788,257</u>	<u>(58,485,408)</u>	<u>-</u>	<u>(58,485,408)</u>
Business-Type Activities:							
Electric	189,010,144	199,711,161	-	600,000	-	11,301,017	11,301,017
Water	16,201,120	17,464,965	-	-	-	1,263,845	1,263,845
Sewer	17,667,203	19,566,075	-	-	-	1,898,872	1,898,872
Gas	31,718,396	36,688,185	-	1,800	-	4,971,589	4,971,589
Public transportation	3,405,651	402,196	804,118	2,239,551	-	40,214	40,214
Stormwater utility	5,836,679	4,354,309	-	255,858	-	(1,226,512)	(1,226,512)
Sanitation	6,940,972	7,204,235	-	7,500	-	270,763	270,763
Total business-type activities	<u>270,780,165</u>	<u>285,391,126</u>	<u>804,118</u>	<u>3,104,709</u>	<u>-</u>	<u>18,519,788</u>	<u>18,519,788</u>
Total primary government	<u>\$345,572,386</u>	<u>\$295,698,200</u>	<u>\$ 4,015,600</u>	<u>\$ 5,892,966</u>	<u>(58,485,408)</u>	<u>18,519,788</u>	<u>(39,965,620)</u>
<b>General Revenues:</b>							
Ad valorem taxes					32,501,704	-	32,501,704
Sales and use taxes					13,204,162	-	13,204,162
Cable TV franchise tax					908,091	-	908,091
Medicaid hold harmless payment					3,384,544	-	3,384,544
Rental vehicle , gross receipts					127,304	-	127,304
Utilities franchise tax					6,282,750	-	6,282,750
Beer and wine tax					416,085	-	416,085
Other taxes & licenses					970,244	-	970,244
Investment earnings					<u>2,063,642</u>	<u>283,767</u>	<u>2,347,409</u>
Total general revenues					<u>59,858,526</u>	<u>283,767</u>	<u>60,142,293</u>
Transfers					<u>5,803,600</u>	<u>(5,803,600)</u>	<u>-</u>
Total general revenues and transfers					<u>65,662,126</u>	<u>(5,519,833)</u>	<u>60,142,293</u>
Change in net position					<u>7,176,718</u>	<u>12,999,955</u>	<u>20,176,673</u>
Net position, beginning of year, as previously reported:					193,035,273	338,351,830	531,387,103
Restatement					<u>(5,003,005)</u>	<u>(3,948,631)</u>	<u>(8,951,636)</u>
Net position, beginning of year, as restated					<u>188,032,268</u>	<u>334,403,199</u>	<u>522,435,467</u>
Net position - ending					<u>\$195,208,986</u>	<u>\$347,403,154</u>	<u>\$542,612,140</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

**Exhibit C**

JUNE 30, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 21,820,730	\$ 7,237,915	\$ 29,058,645
Taxes receivable, net	183,207	-	183,207
Accounts receivable, net	2,962,641	1,312,235	4,274,876
Interest receivable	-	925	925
Due from other funds	7,350,020	-	7,350,020
Due from other governments	3,181,507	-	3,181,507
Inventories	15,274	-	15,274
Prepaid items	86,259	89,918	176,177
Restricted cash and investments	3,134,975	7,696,034	10,831,009
Total assets	<u>\$ 38,734,613</u>	<u>\$ 16,337,027</u>	<u>\$ 55,071,640</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 3,106,423	\$ 213,799	\$ 3,320,222
Due to other funds	129,648	4,990,554	5,120,202
Advances from grantors	-	438,624	438,624
Other liabilities	755,105	-	755,105
Total liabilities	<u>3,991,176</u>	<u>5,642,977</u>	<u>9,634,153</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes receivable	183,207	-	183,207
Other receivables	1,980,691	-	1,980,691
Total deferred inflows of resources:	<u>2,163,898</u>	<u>-</u>	<u>2,163,898</u>
<b>Fund Balances:</b>			
<b>Non-spendable:</b>			
Prepaid items and inventories	101,533	89,918	191,451
Loans receivable	14,700	830,548	845,248
<b>Restricted:</b>			
Stabilization by State Statute	13,033,581	560,787	13,594,368
Restricted for general government	76,578	-	76,578
Restricted for streets	2,236,910	-	2,236,910
Restricted public safety	821,487	-	821,487
Restricted for economic development	-	7,251,170	7,251,170
Restricted for cultural and recreational	-	101,947	101,947
Restricted for debt service	-	342,917	342,917
<b>Committed:</b>			
Committed for catastrophic losses	2,276,781	-	2,276,781
Committed for general government	-	1,476,184	1,476,184
Committed for culture and recreation	-	372,217	372,217
Committed for public safety	-	81,760	81,760
Committed for economic development	-	3,364,854	3,364,854
Committed for capital outlay	-	699,625	699,625
Committed for debt service	-	49,781	49,781
<b>Assigned:</b>			
Assigned for subsequent year's expenditures	1,591,683	24,707	1,616,390
Assigned for culture and recreation	-	544,771	544,771
Unassigned	12,426,286	(5,097,136)	7,329,150
Total fund balance	<u>32,579,539</u>	<u>10,694,050</u>	<u>43,273,589</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,734,613</u>	<u>\$ 16,337,027</u>	<u>\$ 55,071,640</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

**Exhibit C**

*JUNE 30, 2015*

Amounts reported for governmental activities in the Statement of Net Position are different because:

Ending fund balance - governmental funds	\$ 43,273,589
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	183,533,538
Investment in joint venture reported in governmental activities is not reported in the funds.	21,242,806
Net pension asset is not reported in the funds.	3,832,592
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	2,362,664
Other long-term balances are not available to pay for current expenditures and, therefore, are deferred outflows of resources.	2,163,898
Assets and liabilities of the Internal Service Funds used by management to account for health, vehicle, and fleet maintenance costs are included in governmental activities in the Statement of Net Position.	9,225,709
Long-term liabilities, compensated absences, unfunded other post-employment benefits, and unfunded pension obligation are not due and payable in the current period and, therefore, are not reported in the funds.	(61,655,447)
Pension related deferrals	(9,619,363)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	968,711
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(119,711)</u>
Net position of governmental activities	<u>\$ 195,208,986</u>

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

## CITY OF GREENVILLE, NORTH CAROLINA

## Exhibit D

## GOVERNMENTAL FUNDS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 32,956,190	\$ -	\$ 32,956,190
Other taxes	17,624,101	919,169	18,543,270
Unrestricted intergovernmental	6,749,910	-	6,749,910
Restricted intergovernmental	2,985,684	2,733,843	5,719,527
Licenses, permits, and fees	3,817,676	-	3,817,676
Sales and services	5,766,094	-	5,766,094
Investment earnings	363,857	6,504	370,361
Other revenues	581,243	280,212	861,455
Total revenues	<u>70,844,755</u>	<u>3,939,728</u>	<u>74,784,483</u>
<b>Expenditures:</b>			
Current:			
General government	9,917,094	587,055	10,504,149
Public safety	35,414,546	106,145	35,520,691
Public works	7,924,225	-	7,924,225
Cultural and recreational	2,466,066	2,710,362	5,176,428
Economic and physical development	7,400,170	11,784,352	19,184,522
Capital outlay	2,596,181	-	2,596,181
Reimbursement of indirect cost	(1,284,768)	-	(1,284,768)
Contribution to OPEB Trust	400,000	-	400,000
Debt Service:			
Principal retirement	-	3,766,065	3,766,065
Interest and fees	-	1,033,931	1,033,931
Total expenditures	<u>64,833,514</u>	<u>19,987,910</u>	<u>84,821,424</u>
Revenues over (under) expenditures	<u>6,011,241</u>	<u>(16,048,182)</u>	<u>(10,036,941)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	6,562,915	9,317,015	15,879,930
Transfers to other funds	(11,408,692)	(213,070)	(11,621,762)
Long term debt issued	-	4,200,000	4,200,000
Total other financing sources (uses)	<u>(4,845,777)</u>	<u>13,303,945</u>	<u>8,458,168</u>
Net change in fund balance	<u>1,165,464</u>	<u>(2,744,237)</u>	<u>(1,578,773)</u>
<b>Fund Balance:</b>			
Fund balance, beginning of year - July 1, as previously reported	31,412,547	12,698,916	44,111,463
Restatement	1,528	739,371	740,899
Fund balance, end of year - June 30	<u>\$ 32,579,539</u>	<u>\$ 10,694,050</u>	<u>\$ 43,273,589</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**

**Exhibit E**

**GOVERNMENTAL FUNDS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

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	\$ (1,578,773)
Capital outlays are reported as expenditures in the governmental fund statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	14,373,349
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(5,747,231)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. This adjustment represents the amount of change related to revenues to the "availability" criteria.	(1,146,943)
Expenses related to other post-employment benefits, compensated absences and law enforcement officer's special separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(2,429,195)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,362,664
Proceeds from issuance of long-term debt are reported as other financing sources in the governmental funds statement. However, in the Statement of Activities, it is an increase in liabilities.	(4,200,000)
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	15,957
Principal repayments on long-term debt are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,766,065
Pension expense is not an expenditure and is not reported in the funds.	(170,509)
Loss on disposal of capital assets is reported in the Statement of Activities but not the funds statement.	(1,226,351)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(107,635)
Changes in the investment in joint venture asset is reported as investment income in the entity-wide financial statements but not reported in the governmental funds.	1,693,281
The Internal Service Funds are used by management to charge the costs of health, vehicle, and fleet maintenance. The net revenue of the Internal Service Funds is determined to be governmental-type.	<u>645,172</u>
Changes in net position of governmental activities	<u>\$ 7,176,718</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**GENERAL FUND – BUDGET AND ACTUAL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**Exhibit F**

YEAR ENDED JUNE 30, 2015

	General Fund			
	Budget		Actual Amounts	Variance Positive/ Negative
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 34,054,005	\$ 34,099,005	\$ 32,956,190	\$ (1,142,815)
Other taxes	16,264,519	16,264,519	17,624,101	1,359,582
Unrestricted intergovernmental	6,146,233	6,146,233	6,749,910	603,677
Restricted intergovernmental	3,929,439	4,103,540	2,985,684	(1,117,856)
Licenses, permits, and fees	2,837,058	2,858,522	3,817,676	959,154
Sales and services	5,124,961	5,201,415	5,766,094	564,679
Investment earnings	551,010	551,010	363,857	(187,153)
Other revenues	1,154,341	1,223,071	581,243	(641,828)
Total revenues	<u>70,061,566</u>	<u>70,447,315</u>	<u>70,844,755</u>	<u>397,440</u>
<b>Expenditures:</b>				
Current:				
General government	10,597,901	11,360,715	9,917,094	1,443,621
Public safety	37,179,957	37,799,182	35,414,546	2,384,636
Public works	8,843,850	9,085,033	7,924,225	1,160,808
Economic development	2,647,991	2,685,967	2,466,066	219,901
Cultural and recreational	7,635,476	7,739,618	7,400,170	339,448
Capital outlay	3,725,742	5,015,139	2,596,181	2,418,958
Reimbursement of indirect cost	(1,268,214)	(1,268,214)	(1,284,768)	16,554
Contribution to OPEB Trust	400,000	400,000	400,000	-
Total expenditures	<u>69,762,703</u>	<u>72,817,440</u>	<u>64,833,514</u>	<u>7,983,926</u>
Revenues over (under) expenditures	<u>298,863</u>	<u>(2,370,125)</u>	<u>6,011,241</u>	<u>8,381,366</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	6,485,183	6,608,349	6,562,915	(45,434)
Transfers to other funds	(8,598,467)	(11,650,665)	(11,408,692)	241,973
Contingency	(150,000)	2,807	-	(2,807)
Appropriated fund balance	1,964,421	7,409,634	-	(7,409,634)
Total other financing sources (uses)	<u>(298,863)</u>	<u>2,370,125</u>	<u>(4,845,777)</u>	<u>(7,215,902)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,165,464</u>	<u>\$ 1,165,464</u>
<b>Fund Balance:</b>				
Fund balance, beginning of year - July 1, as previously stated			31,412,547	
Restatement			<u>1,528</u>	
Fund balance, end of year - June 30			<u>\$ 32,579,539</u>	

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF FUND NET POSITION**

**Exhibit G**

JUNE 30, 2015

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Gas Fund</b>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 30,882,977	\$ 2,642,955	\$ 3,241,738	\$ 20,657,548
Accounts receivable, net	23,240,744	1,839,791	2,105,409	1,649,581
Due from other governments	1,060,214	311,573	303,760	399,687
Due from other funds	129,648	-	-	-
Inventories	4,911,133	735,891	200,265	561,146
Restricted cash	2,814,730	553,239	1,425	367,911
Prepaid items	40,222	103,883	77,033	19,317
Total current assets	<u>63,079,668</u>	<u>6,187,332</u>	<u>5,929,630</u>	<u>23,655,190</u>
Non-current assets:				
Cash and cash equivalents, restricted	878,979	2,912,119	2,411,411	527,298
Investments	4,892,656	406,182	446,411	3,200,997
Notes receivable	-	414,022	-	-
Net pension asset - restricted	1,111,749	489,601	466,593	413,002
Land improvements and construction in progress	14,609,515	3,687,843	30,891,201	9,936,192
Other capital assets, net	82,508,927	85,676,903	113,953,923	26,453,454
Total non-current assets	<u>104,001,826</u>	<u>93,586,670</u>	<u>148,169,539</u>	<u>40,530,943</u>
Total assets	<u>167,081,494</u>	<u>99,774,002</u>	<u>154,099,169</u>	<u>64,186,133</u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	837,790	368,953	351,614	311,230
Unamortized bond refunding charges	303,184	343,201	154,791	172,110
Total deferred outflows of resources	<u>1,140,974</u>	<u>712,154</u>	<u>506,405</u>	<u>483,340</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued expenses	16,758,968	753,671	1,168,072	2,485,571
Accrued interest payable	129,522	182,535	297,458	47,269
Due to other funds	104,109	103,883	77,033	19,317
Unearned revenue	-	111,691	171,780	-
Current portion of compensated absences	695,887	310,569	302,248	230,392
Current maturities of long-term debt	2,420,378	2,668,804	4,095,260	1,127,174
Liabilities payable from restricted assets:				
Customer deposits	2,814,730	553,239	1,425	367,911
Total current liabilities	<u>22,923,594</u>	<u>4,684,392</u>	<u>6,113,276</u>	<u>4,277,634</u>
Non-current liabilities:				
Compensated absences payable	97,546	91,415	89,991	114,577
Non-current portion of other post-employment benefits	5,400,930	2,317,500	1,963,833	1,763,076
Non-current portion of long-term debt	15,382,048	24,025,426	45,841,523	5,179,746
Total non-current liabilities	<u>20,880,524</u>	<u>26,434,341</u>	<u>47,895,347</u>	<u>7,057,399</u>
Total liabilities	<u>43,804,118</u>	<u>31,118,733</u>	<u>54,008,623</u>	<u>11,335,033</u>
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	2,709,604	1,193,278	1,137,201	1,006,587
<b>Net Position:</b>				
Net investment in capital assets	80,498,179	64,778,473	96,153,949	30,782,134
Unrestricted	41,210,567	3,395,672	3,305,801	21,545,719
Total net position	<u>\$ 121,708,746</u>	<u>\$ 68,174,145</u>	<u>\$ 99,459,750</u>	<u>\$ 52,327,853</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF FUND NET POSITION**

**Exhibit G**

JUNE 30, 2015

	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 2,718,825	\$ 60,144,043	\$ 7,221,911
Accounts receivable, net	1,830,212	30,665,737	142,484
Due from other governments	-	2,075,234	668,853
Due from other funds	-	129,648	2,097
Inventories	-	6,408,435	-
Restricted cash	-	3,737,305	5,671,599
Prepaid items	12,350	252,805	148,131
Total current assets	<u>4,561,387</u>	<u>103,413,207</u>	<u>13,855,075</u>
Non-current assets:			
Cash and cash equivalents, restricted	-	6,729,807	-
Investments	-	8,946,246	-
Notes receivable	-	414,022	-
Net pension asset - restricted	435,522	2,916,467	87,104
Land improvements and construction in progress	59,815	59,184,566	219,953
Other capital assets, net	8,988,106	317,581,313	8,225,606
Total non-current assets	<u>9,483,443</u>	<u>395,772,421</u>	<u>8,532,663</u>
Total assets	<u>14,044,830</u>	<u>499,185,628</u>	<u>22,387,738</u>
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	268,484	2,138,071	53,697
Unamortized bond refunding charges	-	973,286	-
Total deferred outflows of resources	<u>268,484</u>	<u>3,111,357</u>	<u>53,697</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued expenses	822,073	21,988,355	2,494,325
Accrued interest payable	-	656,784	-
Due to other funds	-	304,342	2,057,220
Unearned revenue	-	283,471	-
Current portion of compensated absences	149,084	1,688,180	-
Current maturities of long-term debt	290,962	10,602,578	-
Liabilities payable from restricted assets:			
Customer deposits	-	3,737,305	-
Total current liabilities	<u>1,262,119</u>	<u>39,261,015</u>	<u>4,551,545</u>
Non-current liabilities:			
Compensated absences payable	63,890	457,419	-
Non-current portion of other post-employment benefits	1,809,505	13,254,844	-
Non-current portion of long-term debt	4,352,028	94,780,771	-
Total non-current liabilities	<u>6,225,423</u>	<u>108,493,034</u>	<u>-</u>
Total liabilities	<u>7,487,542</u>	<u>147,754,049</u>	<u>4,551,545</u>
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	1,093,112	7,139,782	218,622
<b>Net Position:</b>			
Net investment in capital assets	5,034,931	277,247,666	8,445,559
Unrestricted	697,729	70,155,488	9,225,709
Total net position	<u>\$ 5,732,660</u>	<u>\$ 347,403,154</u>	<u>\$ 17,671,268</u>

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

## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION

YEAR ENDED JUNE 30, 2015

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
<b>Operating Revenues:</b>				
Charges for services	\$ 198,169,890	\$ 17,030,567	\$ 19,176,564	\$ 36,481,903
Other operating revenues	<u>822,672</u>	<u>96,914</u>	<u>111,570</u>	<u>96,431</u>
Total operating revenues	<u>198,992,562</u>	<u>17,127,481</u>	<u>19,288,134</u>	<u>36,578,334</u>
<b>Operating Expenses:</b>				
Administrative and general	9,132,610	2,843,672	2,843,954	2,890,746
Operations and maintenance	13,588,902	8,422,205	8,233,533	4,786,970
Purchased power and gas	157,930,812	-	-	22,100,584
Depreciation and amortization	7,677,763	3,892,751	4,863,901	1,705,787
Claims and payments to third-party administrators	-	-	-	-
Total operating expenses	<u>188,330,087</u>	<u>15,158,628</u>	<u>15,941,388</u>	<u>31,484,087</u>
Operating Income (Loss)	<u>10,662,475</u>	<u>1,968,853</u>	<u>3,346,746</u>	<u>5,094,247</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment earnings	130,041	44,763	26,822	82,141
Federal grants	-	-	-	-
Other non-operating revenues	718,599	337,484	277,941	109,851
Interest expense	(680,057)	(1,042,492)	(1,725,815)	(234,309)
Loss on disposal of capital assets	-	-	-	-
Total non-operating revenues (expenses)	<u>168,583</u>	<u>(660,245)</u>	<u>(1,421,052)</u>	<u>(42,317)</u>
Income (Loss) Before Transfers and Contributions	10,831,058	1,308,608	1,925,694	5,051,930
<b>Transfers In (Out) and Capital Contributions:</b>				
Capital contributions	600,000	-	-	1,800
Transfers from other funds	-	-	-	-
Transfers to other funds	<u>(5,143,889)</u>	-	-	<u>(1,361,154)</u>
Total transfers in (out) and capital contributions:	<u>(4,543,889)</u>	-	-	<u>(1,359,354)</u>
Change in Net Position	<u>6,287,169</u>	<u>1,308,608</u>	<u>1,925,694</u>	<u>3,692,576</u>
<b>Net Position:</b>				
Beginning of year - July 1, as previously reported	116,905,026	67,518,830	98,156,649	49,186,361
Restatement	<u>(1,483,449)</u>	<u>(653,293)</u>	<u>(622,593)</u>	<u>(551,084)</u>
Beginning of year - restated	<u>115,421,577</u>	<u>66,865,537</u>	<u>97,534,056</u>	<u>48,635,277</u>
End of year - June 30	<u>\$ 121,708,746</u>	<u>\$ 68,174,145</u>	<u>\$ 99,459,750</u>	<u>\$ 52,327,853</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FU**

**Exhibit H**

YEAR ENDED JUNE 30, 2015

	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 11,784,761	\$ 282,643,685	\$ 18,547,616
Other operating revenues	<u>175,979</u>	<u>1,303,566</u>	<u>219,488</u>
Total operating revenues	<u>11,960,740</u>	<u>283,947,251</u>	<u>18,767,104</u>
<b>Operating Expenses:</b>			
Administrative and general	60,869	17,771,851	677,570
Operations and maintenance	15,257,824	50,289,434	4,271,401
Purchased power and gas	-	180,031,396	-
Depreciation and amortization	432,875	18,573,077	2,830,251
Claims and payments to third-party administrators	<u>-</u>	<u>-</u>	<u>10,961,277</u>
Total operating expenses	<u>15,751,568</u>	<u>266,665,758</u>	<u>18,740,499</u>
Operating Income (Loss)	<u>(3,790,828)</u>	<u>17,281,493</u>	<u>26,605</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment earnings	-	283,767	-
Federal grants	804,118	804,118	-
Other non-operating revenues	-	1,443,875	-
Interest expense	(197,248)	(3,879,921)	-
Loss on disposal of capital assets	<u>(234,486)</u>	<u>(234,486)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>372,384</u>	<u>(1,582,647)</u>	<u>-</u>
Income (Loss) Before Transfers and Contributions	(3,418,444)	15,698,846	26,605
<b>Transfers In (Out) and Capital Contributions:</b>			
Capital contributions	2,502,909	3,104,709	-
Transfers from other funds	711,443	711,443	1,545,434
Transfers to other funds	<u>(10,000)</u>	<u>(6,515,043)</u>	<u>(926,867)</u>
Total transfers in (out) and capital contributions:	<u>3,204,352</u>	<u>(2,698,891)</u>	<u>618,567</u>
Change in Net Position	<u>(214,092)</u>	<u>12,999,955</u>	<u>645,172</u>
<b>Net Position:</b>			
Beginning of year - July 1, as previously reported	6,584,964	338,351,830	17,153,738
Restatement	<u>(638,212)</u>	<u>(3,948,631)</u>	<u>(127,642)</u>
Beginning of year - restated	<u>5,946,752</u>	<u>334,403,199</u>	<u>17,026,096</u>
End of year - June 30	<u>\$ 5,732,660</u>	<u>\$ 347,403,154</u>	<u>\$ 17,671,268</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

**Exhibit I**

YEAR ENDED JUNE 30, 2015

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Gas Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 198,151,965	\$ 17,196,034	\$ 19,203,154	\$ 36,785,796
Other operating receipts	90,183	(11,956)	(90,917)	(195,574)
Cash paid to vendors	(170,421,854)	(6,609,807)	(6,417,936)	(26,010,467)
Cash paid to employees	(9,975,633)	(4,877,863)	(4,803,417)	(3,885,507)
Payments received on loans	-	32,050	-	-
Net cash provided (used) by operating activities	<u>17,844,661</u>	<u>5,728,458</u>	<u>7,890,884</u>	<u>6,694,248</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(5,142,959)	-	-	(1,361,154)
Installment financing proceeds	-	-	-	-
Noncapital contributions	11,350	6,350	6,350	6,350
Advances from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(5,131,609)</u>	<u>6,350</u>	<u>6,350</u>	<u>(1,354,804)</u>
<b>Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(11,359,840)	(2,301,432)	(3,664,096)	(7,067,070)
Capital grants/cash capital contributions	1,000,000	-	146,518	-
Capital related receipts from customers	-	168,272	227,136	-
Proceeds from issuance of long-term debt	-	-	811,442	-
Repayment of principal of long-term debt	(2,745,501)	(2,910,306)	(4,646,312)	(1,174,310)
Interest and other debt related expenses	(663,346)	(1,069,718)	(1,721,099)	(216,724)
Net cash provided (used) by capital and related financing activities	<u>(13,768,687)</u>	<u>(6,113,184)</u>	<u>(8,846,411)</u>	<u>(8,458,104)</u>
<b>Cash Flow From Investing Activities:</b>				
Purchase of investments	(2,425,352)	(2,581,876)	(3,563,869)	(3,878,903)
Proceeds from sale and maturity of investments	2,624,461	2,802,127	3,868,087	4,205,326
Interest received on investments	142,054	45,730	28,017	86,790
Net cash provided by investing activities	<u>341,163</u>	<u>265,981</u>	<u>332,235</u>	<u>413,213</u>
Net increase (decrease) in cash and cash equivalents	(714,472)	(112,395)	(616,942)	(2,705,447)
<b>Cash and Cash Equivalents:</b>				
Beginning of year – July 1	<u>35,291,158</u>	<u>6,220,708</u>	<u>6,271,516</u>	<u>24,258,204</u>
End of year – June 30	<u>\$ 34,576,686</u>	<u>\$ 6,108,313</u>	<u>\$ 5,654,574</u>	<u>\$ 21,552,757</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

**Exhibit I**

YEAR ENDED JUNE 30, 2015

	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 11,969,197	\$ 283,306,146	\$ 18,906,996
Other operating receipts	-	(208,264)	-
Cash paid to vendors	(9,306,388)	(218,766,452)	(14,999,838)
Cash paid to employees	(5,776,994)	(29,319,414)	(1,447,197)
Payments received on loans	-	32,050	-
Net cash provided (used) by operating activities	<u>(3,114,185)</u>	<u>35,044,066</u>	<u>2,459,961</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
Transfers from other funds	711,443	711,443	-
Transfers to other funds	(10,000)	(6,514,113)	1,545,434
Installment financing proceeds	-	-	-
Noncapital contributions	-	30,400	-
Advances from other funds	-	-	(2,097)
Advances to other funds	(667,987)	(667,987)	1,276,138
Net cash provided (used) by non-capital financing activities	<u>33,456</u>	<u>(6,440,257)</u>	<u>2,819,475</u>
<b>Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(227,747)	(24,620,185)	(3,746,380)
Capital grants/cash capital contributions	2,505,911	3,652,429	-
Capital related receipts from customers	-	395,408	-
Proceeds from issuance of long-term debt	360,000	1,171,442	-
Repayment of principal of long-term debt	(239,532)	(11,715,961)	-
Interest and other debt related expenses	(197,248)	(3,868,135)	-
Net cash provided (used) by capital and related financing activities	<u>2,201,384</u>	<u>(34,985,002)</u>	<u>(3,746,380)</u>
<b>Cash Flow From Investing Activities:</b>			
Purchase of investments	-	(12,450,000)	-
Proceeds from sale and maturity of investments	-	13,500,001	-
Interest received on investments	-	302,591	-
Net cash provided by investing activities	<u>-</u>	<u>1,352,592</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(879,345)	(5,028,601)	1,533,056
<b>Cash and Cash Equivalents:</b>			
Beginning of year – July 1	<u>3,598,170</u>	<u>75,639,756</u>	<u>11,360,454</u>
End of year – June 30	<u>\$ 2,718,825</u>	<u>\$ 70,611,155</u>	<u>\$ 12,893,510</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

**Exhibit I**

YEAR ENDED JUNE 30, 2015

	<b>Major Enterprise Funds</b>			
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Gas Fund</b>
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 10,662,475	\$ 1,968,853	\$ 3,346,746	\$ 5,094,247
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,677,763	3,892,751	4,863,901	1,705,787
Pension expense	78,660	34,641	33,013	29,221
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(972,276)	33,381	(72,959)	176,579
(Increase) decrease in notes receivable	-	32,050	-	-
(Increase) decrease in due from other governments	(554,513)	(174,887)	(132,769)	(292,860)
Change in due to/from other funds	17,829	86,384	59,534	19,317
(Increase) decrease in inventories	(222,821)	(105,975)	1,619	56,226
(Increase) decrease in prepaids	(40,222)	(103,883)	(77,033)	(19,317)
Increase (decrease) in deferred outflow of resources	(802,044)	(353,211)	(336,612)	(297,950)
Increase (decrease) in accounts payable	919,298	114,019	64,162	(23,176)
Increase (decrease) in customer deposits	80,612	43,732	(223)	24,668
Increase (decrease) in compensated absences payable	30,354	(8,780)	(1,356)	18,344
Increase (decrease) in OPEB liability	267,837	115,010	112,806	99,661
Increase (decrease) in unearned revenue	-	(8,490)	(14,400)	-
Miscellaneous income (expense)	701,709	162,863	44,455	103,501
Net cash provided (used) by operating activities	<u>\$ 17,844,661</u>	<u>\$ 5,728,458</u>	<u>\$ 7,890,884</u>	<u>\$ 6,694,248</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Capital contribution	\$ -	\$ -	\$ -	\$ -
Purchase of capital assets in accounts payable	-	-	-	-
Transfer out of capital assets to governmental activities	-	-	-	-
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Cash and Cash Equivalents:</b>				
Cash and investments, unrestricted	\$ 30,882,977	\$ 2,642,955	\$ 3,241,738	\$ 20,657,548
Cash and investments, restricted	<u>3,693,709</u>	<u>3,465,358</u>	<u>2,412,836</u>	<u>895,209</u>
Total cash and cash equivalents	<u>\$ 34,576,686</u>	<u>\$ 6,108,313</u>	<u>\$ 5,654,574</u>	<u>\$ 21,552,757</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

**Exhibit I**

YEAR ENDED JUNE 30, 2015

	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (3,790,828)	\$ 17,281,493	\$ 26,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	432,875	18,573,077	2,830,251
Pension expense	19,378	194,913	3,876
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	8,457	(826,818)	(647,266)
(Increase) decrease in notes receivable	-	32,050	-
(Increase) decrease in due from other governments	-	(1,155,029)	261,371
Change in due to/from other funds	-	183,064	-
(Increase) decrease in inventories	-	(270,951)	-
(Increase) decrease in prepaids	(6,000)	(246,455)	-
Increase (decrease) in deferred outflow of resources	(268,484)	(2,058,301)	(53,697)
Increase (decrease) in accounts payable	463,692	1,537,995	38,821
Increase (decrease) in customer deposits	-	148,789	-
Increase (decrease) in compensated absences payable	10,981	49,543	-
Increase (decrease) in OPEB liability	15,744	611,058	-
Increase (decrease) in unearned revenue	-	(22,890)	-
Miscellaneous income (expense)	-	1,012,528	-
Net cash provided (used) by operating activities	<u>\$ (3,114,185)</u>	<u>\$ 35,044,066</u>	<u>\$ 2,459,961</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Capital contribution	\$ 801,116	\$ 801,116	\$ -
Purchase of capital assets in accounts payable	-	-	144,239
Transfer out of capital assets to governmental activities	-	-	926,867
Total non-cash investing, capital, and financing activities	<u>\$ 801,116</u>	<u>\$ 801,116</u>	<u>\$ 1,071,106</u>
<b>Reconciliation of Cash and Cash Equivalents:</b>			
Cash and investments, unrestricted	\$ 2,718,825	\$ 60,144,043	\$ 7,221,911
Cash and investments, restricted	-	10,467,112	5,671,599
Total cash and cash equivalents	<u>\$ 2,718,825</u>	<u>\$ 70,611,155</u>	<u>\$ 12,893,510</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**

**Exhibit J**

*JUNE 30, 2015*

---

	<u>OPEB Trust Fund</u>
<b>Assets:</b>	
Restricted cash and cash equivalents	\$ <u>2,903,726</u>
<b>Net Position:</b>	
Restricted for OPEB	\$ <u>2,507,349</u>

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**Exhibit K**

YEAR ENDED JUNE 30, 2015

	<u>OPEB Trust Fund</u>
<b>Additions:</b>	
Employer contributions	\$ 1,956,534
Investment income:	
Net appreciation in fair value of investments	<u>139,077</u>
Total additions	<u>2,095,611</u>
<b>Deductions:</b>	
Benefits	1,955,900
Administrative expense	<u>6,916</u>
Total deductions	<u>1,962,816</u>
Change in net position	132,795
Net position, beginning	<u>2,374,554</u>
Net position, ending	<u>\$ 2,507,349</u>

# NOTES TO FINANCIAL STATEMENTS

FY 2015 Comprehensive Annual Financial Report



# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### **Note 1—Summary of significant accounting policies and reporting entity**

*Summary of Significant Accounting Policies* - The City of Greenville, North Carolina (the “City”), is located in the coastal plains area of the State and has a population of 89,852. The City, as authorized by its charter, operates its own police and fire departments, provides sanitation and street maintenance services, manages a transit system, and maintains public parks and recreation facilities, among other services for its citizens. In addition, the City provides electric, water, sewer, and gas utilities for the incorporated area through the Greenville Utilities Commission (the “Commission”), which is not a separate legal entity. Electricity is purchased from North Carolina Eastern Municipal Power Agency, and gas is purchased from Piedmont Natural Gas Corporation and gas marketers.

The accounting policies of the City of Greenville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

*Reporting Entity* - The City of Greenville is a municipal corporation that is governed by an elected Mayor and a six-member Council. As required by generally accepted accounting principles, the City’s financial statements include the operations of all funds, agencies, boards, commissions, and authorities for which the City is financially accountable. The City has no component units. The Commission, which is governed by an eight-member Board of Commissioners, was established in 1905 to operate and administer the utility enterprise funds of the City of Greenville, North Carolina.

#### ***Basis of Presentation***

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

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 a 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, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

---

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

The City reports the following major governmental fund:

*General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, parks and recreation, and general government services.

The City reports the following major enterprise funds:

*Electric Fund* – This fund is used to account for the operation of providing power to residents.

*Water Fund* – This fund is used to account for the operation of providing water to residents.

*Sewer Fund* – This fund is used to account for the operation of providing sewer services to residents.

*Gas Fund* – This fund is used to account for the operation of providing natural gas to residents.

Additionally, the City reports the following nonmajor funds, by type:

*Nonmajor Enterprise Funds* – The nonmajor enterprise funds are used to account for the operation of providing various City services to residents. The City maintains three nonmajor enterprise funds: Public Transportation Fund, Stormwater Utility Fund, and Sanitation Fund.

*Special Revenue Funds* – The special revenue funds account for specific revenue sources (other than expendable trusts and agency funds or major capital projects) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City maintains six special revenue funds: the Community Development Fund, Sheppard Memorial Library Fund, Housing Trust Fund, Energy Efficiency Recovery Grant Fund, Centralized Grant Fund, and Hurricane Irene FEMA Grant Fund.

*Capital Projects Funds* – The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). As of June 30, 2015, the City has twenty-two capital project funds that were open during the fiscal year, covering various construction projects: Affordable Housing Project Fund, West Greenville Revitalization Fund, Center City Revitalization Fund, Stantonsburg Road/10<sup>th</sup> Street Connector Fund, South Tar River Greenway Fund, Way Finding Community Development Fund, Thomas Langston Road Extension Project Fund, GTAC Project Fund, Convention Center Expansion Project Fund, Community Oriented Policing Service Project Fund, Technology for Public Safety Project Fund, Emergency Operations Center Project Fund, Capital Reserve Fund, King George Bridge Project Fund, Green Mill Greenways Project Fund, Dream Park Capital Project Fund, Energy Savings Equipment Project Fund, Uptown Parking Deck Fund, ERP Capital Project Fund, Street Improvements Project Fund, South Greenville Reconstruction Fund, and CVA Expansion Phase III Capital Project Fund.

*Debt Service Fund* – The Debt Service Fund accounts for the payment of the City's debt obligations, excluding the Commission's debt. The Commission's debt is paid from their respective funds.

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### **Note 1—Summary of significant accounting policies and reporting entity (continued)**

*Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City of Greenville has four internal service funds: the Health Insurance Fund, the Vehicle Replacement Fund, the Facility Improvement Fund, and the Fleet Maintenance Fund.

*OPEB Trust Fund* – The City maintains the North Carolina OPEB Trust Fund. This fund is used to track all contributions to the State-managed Other Post-Employment Benefits Trust Fund. Funds are placed in the irrevocable trust for retiree health benefit costs.

#### ***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, Proprietary, and Fiduciary Fund Financial Statements* – The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is 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, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish between 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 operation. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. 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. Operating expenses for enterprise funds include the cost of sales and services, 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.

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### **Note 1—Summary of significant accounting policies and reporting entity (continued)**

The City considers all revenues available if they are collected within 60 days after year-end, except for property taxes. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that 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 Greenville because the tax is levied by Pitt County and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 is 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.

*Budgetary Procedures and Budgetary Accounting* – The City's budgets are adopted as required by the North Carolina General Statutes. The City Manager and departments of the City of Greenville prepare the annual budget for City operations on a biennial basis. An annual budget is adopted for the General Fund, certain special revenue funds (Housing), and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the remaining Special Revenue Funds, the Capital Projects Fund, and the Enterprise Capital Projects Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. The internal service funds, operate under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds.

Budgeting control is exercised over aggregated funds at the departmental level for governmental funds, and for all other funds, the budget is adopted at the fund level. All amendments must be approved by the City Council. Individual amendments were not material in relation to the original appropriations.

*Accounting Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### **Note 1—Summary of significant accounting policies and reporting entity (continued)**

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

*Deposits and Investments* – All deposits of the City are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, 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.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed Federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT-Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are also valued at fair value.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

General Statute 159-30.1 allows the City to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the City to make contributions to the Trust. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short-Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8).

*Cash and Cash Equivalents* – The City and the Commission separately pool money from several funds to facilitate disbursement and investment and to maximize investment income. Each fund owns a pro rata interest in the depository, and interest earned as a result of pooling is distributed to the appropriate funds based on their equity in the pool. Therefore, all cash and investments of the City's funds are essentially demand deposits and are considered cash and cash equivalents. Certain certificates of deposit for the Commission, which have a maturity of over one year, do not qualify as cash equivalents. The amount of unspent capacity fee revenue is shown as a restricted asset for the Commission because its use is completely restricted to capacity related capital investment and/or debt service on capacity related capital financing.

*Restricted Assets* – The City issues general obligation, revenue bonds, and installment debt for capital projects. The amount of unexpended debt proceeds is shown as restricted assets because the use of the proceeds is completely restricted to the purpose for which the debt was originally issued. Revenue bond proceeds are placed with a trustee for safekeeping and dispersion as needed. Customer deposits held by the City or Commission before any services are supplied are restricted to the service for which the deposit was collected. Certain unexpended grant revenues are classified as restricted assets since their use is restricted for the purpose of the grant. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. The net pension asset is classified as restricted asset because its use is restricted to the provision of pension benefits to retired employees.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

**City of Greenville Restricted Assets:**

Governmental Activities:	
Net pension asset	\$ 4,355,218
Cash:	
General Fund:	
General government	76,578
Streets	2,236,910
Public safety	821,487
Nonmajor governmental funds:	
Culture and recreation	101,947
Unexpended debt proceeds	7,195,197
Unexpended grant proceeds	398,890
Internal Service Fund:	
Self-insurance	5,671,599
<b>Total Governmental Activities</b>	<b><u>\$ 20,857,826</u></b>

**Greenville Utilities Commission Restricted Assets:**

Net pension asset	\$ 2,480,945
Cash:	
Customer deposits	3,737,305
Unexpended bond proceeds	4,261,850
Unexpended capacity fees	2,467,957
<b>Total Business-Type Activities</b>	<b><u>\$ 12,948,057</u></b>

*Ad Valorem Taxes Receivable* – In accordance with State law (GS 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 September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014. As allowed by State law, the City has established a Schedule of Discounts that apply to taxes that are paid prior to the due date. In the City’s General Fund, ad valorem tax revenues are reported net of such discounts. Uncollected taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

*Utility Service Revenues – Unbilled Usage* - An estimated amount has been recorded for utility services provided, but not billed, as of the end of the year and is included in accounts receivable, net of uncollectible amounts.

*Allowance for Doubtful Accounts* – An allowance for doubtful accounts is maintained for ad valorem taxes receivable, rescue fees receivable, and other receivables, which historically experience uncollectible accounts. An allowance for doubtful accounts is also maintained for nonmajor Enterprise Fund customer receivables. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

*Inventory and Prepaid Items* – Inventories consist of major items held for consumption by the governmental funds materials and supplies. Inventories are valued at cost using the first-in, first-out (“FIFO”) method, which approximates market. Disbursements for inventory-type items of the City are considered to be expenditures at the time of use (“consumption method” of accounting). Supplies transferred to and consumed by the individual departments are considered a reduction of the inventory and an expenditure of the user department.

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

*Capital Assets* – Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and are defined by the government as assets with an initial individual cost of more than a certain amount and estimated useful life in excess of two years. The capitalization threshold for assets is \$5,000. Maintenance and repairs are charges to expense as incurred. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated tangible capital assets are recorded at estimated fair market value at the date of donation. Commencing with the fiscal year ended 2010, donated intangible assets which have an indefinite life, such as street right-of-ways or utility easements have been recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All assets are depreciated using a method which approximates the straight-line method. Interest expense is capitalized on business-type construction in progress to the extent that it exceeds income.

The estimated useful lives are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land and other improvements	10 years
Buildings	30 - 33 years
Equipment	3 - 20 years
Distribution systems	20 - 50 years
Infrastructure	50 years

The rate structure of the Public Transportation Fund is inadequate to generate sufficient revenues to cover the acquisition and future expansion of its property and equipment. It, therefore, must seek capital grants from Federal, State, and local sources. The estimated useful lives of transportation capital assets, which are depreciated using the straight-line method, are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Plant structures	30 years
Buses	10 years
Furniture, fixtures, machinery, and equipment	5 - 8 years

*Deferred Outflows/Inflows of Resources* – In addition to assets, the Statement of Net 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 only has two items that qualify for reporting in this category – contributions made to the pension plan in the 2015 fiscal year and deferred charges on refunding reported in the government-wide Statement of Net Position. In addition to liabilities, the Statement of Net 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 only two items that meet the criterion for this category – property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

---

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

*Long-term Obligations* – 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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. For business-type activities, the debt service requirements are being financed by the revenues of these funds. The full taxing power of the City is pledged to make payments if applicable fund revenues should be insufficient.

*Compensated Absences* – The vacation policy of the City provides for the accumulation of earned vacation leave to full-time employees based upon the number of years of service with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

***Net Position/Fund Balances***

*Net Position* – Net position in government-wide and proprietary fund financial statements is 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 laws or regulations of other governments, or imposed by law through State statute.

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

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 intact.

Prepaid items – Portion of fund balance that is not an available resource because it represents certain payments to vendors applicable to future accounting periods and is, therefore, not in spendable form.

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

Loans receivable – portion of fund balance which has been paid out to borrowers and is, therefore, not a spendable resource.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

---

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

**Restricted fund balance** – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law. The City’s restricted fund balance consists of the following:

Restricted for stabilization by State statute – Portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)].

Restricted for general government – Portion of fund balance that is restricted by revenue source for energy savings equipment expenditures. The revenue source is unexpended debt proceeds in the Energy Savings Equipment Capital Project Fund.

Restricted for streets – Portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for public safety – Portion of fund balance that is restricted by revenue source for public safety expenditures. These revenue sources include unexpended Federal forfeiture and controlled substance funds in the General Fund.

Restricted for economic development – Portion of fund balance that is restricted by revenue sources for economic development construction expenses. The revenue sources include unexpended bond proceeds in the Uptown Parking Deck, Stantonsburg Road/10<sup>th</sup> Street Connector, Thomas Langston Road Extension Project, Convension Center Expansion Project, CVA Expansion Phase III and the Center City Revitalization Capital Project Funds.

Restricted for cultural and recreational – Portion of fund balance that is restricted for the benefit of third parties and held for specific purposes in the Sheppard Memorial Library Special Revenue Fund.

Restricted for debt service – Portion of fund balance that is restricted for debt service.

**Committed fund balance** – This classification represents the portion of fund balance that can only be used for 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 a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The City’s committed fund balance consists of the following:

Committed for catastrophic losses – Portion of fund balance committed by the City Council in its financial policy guidelines for insurance loss reserves for self-insured amounts that exceed insurance coverages.

Committed for general government – Portion of fund balance that is committed by the City Council for expenses for the City’s ERP Capital Project Fund.

Committed for cultural and recreational – Portion of fund balance that is committed by the City Council for cultural and recreational construction expenses in various special revenue and capital project funds.

Committed for public safety – Portion of fund balance that is committed by the City Council for law enforcement equipment and operational activities in various special revenue and capital project funds.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

---

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

Committed for economic development – Portion of fund balance that is committed by the City Council for economic development construction and activities in various special revenue and capital project funds.

Committed for capital outlay – Portion of fund balance committed by the City Council for the construction of specific assets held in the Capital Reserve Fund. Specific Council action is required to transfer funds out of this fund.

Committed for debt service – Portion of fund balance committed by the City Council to pay for future debt expenditures accounted for in the City's Debt Service Fund. Specific council action is required to transfer funds out of this fund.

**Assigned fund balance** – Portion of fund balance that the City of Greenville intends to use for specific purposes. The City's assigned fund balance consists of the following;

Assigned for subsequent year's expenditures – Portion of total fund balance that is appropriated in the next year's budget that is not classified as restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to modify the appropriations by resource or appropriations in certain circumstances.

Assigned for cultural and recreational – Portion of total fund balance that has been budgeted by the Council for library operations.

**Unassigned fund balance** – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City has a revenue spending guideline for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, Federal funds, State funds, local non-City funds, and City funds. For the purposes of the fund balance classifications, the expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and, lastly, unassigned fund balances. The Finance Officer may deviate from this order if it is in the best interest of the City.

The City of Greenville has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that unassigned fund balance is at least 14% of the total annual operating budget. The City Council may, from time-to-time, appropriate unassigned fund balances that will reduce unassigned fund balances below the 14% threshold for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Greenville. In such circumstances, the City Council will adopt a plan to restore the unassigned fund balance to, or above, the threshold within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the City Council will establish a different but appropriate time period.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 1—Summary of significant accounting policies and reporting entity (continued)**

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	<u>\$ 32,579,539</u>
Less:	
Inventories	15,274
Prepaid items	86,259
Loans receivable	14,700
Stabilization by State statute	13,033,581
Restricted for general government	76,578
Restricted for streets	2,236,910
Restricted for public safety	821,487
Committed for catastrophic losses	2,276,781
Assigned for subsequent year's expenditures	<u>1,591,683</u>
Total available fund balance	<u><u>\$ 12,426,286</u></u>

The City of Greenville has \$1,534,804 of outstanding encumbrances in the General Fund as of June 30, 2015, which represents amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

**Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City and Commission's employer contributions are recognized when due and the City and Commission have 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.

**Note 2—Stewardship, compliance, and accountability**

*Non-Compliance with North Carolina General Statutes* – In the current year, there were violations of the General Statutes regarding appropriated fund balance in the Public Transportation Fund and the Sanitation Fund. North Carolina General Statutes prohibits appropriated fund balance in any fund to exceed the sum of the prior fiscal year cash and investments minus the sum of prior fiscal year liabilities, encumbrances, unearned revenues, and deferred inflows deriving from cash receipts. Management has put procedures in place to further monitor all aspects of the City's fund budgets.

*Deficit Fund Balance or Net Position of Individual Funds* – The following individual funds had a deficit fund balance or net position at June 30, 2015:

**Nonmajor Capital Projects:**

Emergency Operations Center Project	\$ (47,780)	Transfers from general fund
-------------------------------------	-------------	-----------------------------

**Nonmajor Enterprise Funds:**

Sanitation Fund	\$ (1,019,898)	Future charges by customers
-----------------	----------------	-----------------------------

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### Note 3—Detailed notes on all funds

#### Assets

##### **Deposits**

All of the deposits of the City are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the Federal depository insurance coverage level are collateralized with securities held by the City's agent in its name. 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 their 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 the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for undercollateralization, and this risk may increase during 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 formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the City's deposits had a carrying amount of \$18,260,590 and a bank balance of \$18,340,458. Of the bank balance, \$2,438,302 was covered by Federal depository insurance, and the remainder of \$15,902,156 was covered by collateral held under the Pooling Method. In addition, the City has a \$1,000,000 certificate of deposit. The City's cash on hand at June 30, 2015 consisted of various petty cash funds totaling \$8,664.

At June 30, 2015, the Commission's deposits had a carrying amount of \$62,792,224 and a bank balance of \$65,105,672. Of the bank balance, \$1,275,554 was covered by Federal depository insurance, and \$63,830,118 was covered by collateral held under the pooling method. The Commission's deposits include checking accounts, money market accounts and \$500,000 in certificates of deposit which are reported as long-term investments on the statement of net position. The Commission's cash on hand at June 30, 2015 consisted of various petty cash funds totaling \$4,300.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Investments**

At June 30, 2015, the investments and related maturities of the City were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than Six Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>	<b>3+ Years</b>
NC Capital Management Trust - Cash Portfolio	\$11,326,948	\$11,326,948	\$ -	\$ -	\$ -
US Treasury Notes	5,195,026	-	-	-	5,195,026
Government Agency - FHLB	3,096,259	-	715,069	2,381,190	-
Government Agency - FHLMC	9,813,627	-	886,876	5,583,073	3,343,678
Government Agency - FNMA	6,800,875	-	295,543	5,722,863	782,469
<b>Total Investments</b>	<b>\$36,232,735</b>	<b>\$11,326,948</b>	<b>\$ 1,897,488</b>	<b>\$13,687,126</b>	<b>\$ 9,321,173</b>

At June 30, 2015, the Commission had the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than Six Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>	<b>3+ Years</b>
Bank Certificates of Deposit	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
US Government Agencies	8,446,246	-	-	-	8,446,246
NC Capital Management Trust - Cash portfolio	4,495,128	4,495,128	-	-	-
NC Capital Management Trust - Team Portfolio	600,678	600,678	-	-	-
<b>Total Investments</b>	<b>\$14,042,052</b>	<b>\$ 5,095,806</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,946,246</b>

*Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s formal investment policy specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates. The policy states investments shall be limited to maturities not exceeding five years from the settlement date.

*Credit Risk* – The City’s investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The policy expressly prohibits investment of stripped instruments (“Derivative Security”) and repurchase agreements. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor’s and Aaa by Moody’s Investors Service. The investment in US Treasury Notes are rated AAA by Standard and Poor’s and Aaa by Moody’s Investors Service. The investment in Federal Home Loan Mortgage Corporation are rated AA+ by Standard and Poor’s and Aaa by Moody’s Investors Service. The investment in Federal National Mortgage Association are rated AA+ by Standard and Poor’s and Aaa by Moody’s Investors Service. The City’s investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2015.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Custodial Credit Risk* – The City’s investment policy explicitly states that all securities purchased by the City shall be held in third-party safekeeping by the bank designated as the primary agent. A detailed receipt shall be issued by the primary agent (bank) for each security transaction, as well as a monthly report detailing all securities held by the Trust Department of this bank. Additionally, all trades, where applicable, will be executed by delivery versus payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. A third-party custodian, as evidenced by safekeeping receipts, will hold securities.

*Concentration of Credit Risk* – The City’s and the Commission’s investment policy limits the amount of the total portfolio that can be invested in any one type of investment or with a single financial institution. Investments making up more than 5% of the City’s investments are as follows:

<u>Issuer</u>	<u>Amount</u>	<u>% of Investments</u>
US Treasury Notes	\$ 5,195,026	20.9%
Federal Home Loan Bank	3,096,259	12.4%
Federal Home Loan Mortgage Corporation	9,813,627	39.4%
Federal National Mortgage Association	6,809,875	27.3%

*Concentration of Credit Risk (“Commission”)* – The Commission’s investment policy limits the amount of the total portfolio that can be invested in any one type of investment to the following percentages: US Treasuries – 100%; US Agencies – 100%; Capital Management Trust – 100%; Money Market Accounts – 100%; Certificates of Deposit – 70%; Banker’s Acceptances – 45%; Commercial Paper – 50%; NC and Local Government Securities with AAA rating or better – 20%. In addition, the Commission’s investment policy limits the total amount that can be invested in any one agency, institution, or entity.

*OPEB Trust Fund (City excluding the Commission)* – At June 30, 2015, the City’s OPEB Trust Fund had \$2,903,726 invested in the State Treasurer’s Local Government Other Post-Employment Benefits (“OPEB”) Fund pursuant to G.S. 159-30.1. The State Treasurer’s OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer’s OPEB Fund was invested as follows: State Treasurer’s Short Term Investment Fund (STIF) 22%, State Treasurer’s Long-Term Investment Fund (LTIF) 9.0%, and BlackRock’s Global Ex-US Alpha Tilts Fund B and BlackRock’s Russell 3000 Alpha Tilts Fund B 69% (the equities were split with 75.0% in domestic securities and 25.0% in international securities).

*Interest Rate Risk* – The City does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer’s Short-Term Investment Fund (“STIF”) is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer’s Long-Term Investment Fund (“LTIF”) is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

*Credit Risk* – The City does not have a formal investment policy regarding credit risk for the OPEB Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s LTIF is invested in treasuries, agencies, and corporate bonds with longer term maturities.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

At June 30, 2015 the Commission OPEB Trust had \$1,897,947 invested in the State Treasurer’s Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer’s OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Commission’s OPEB Trust was invested as follows: State Treasurer’s Short Term Investment Fund (STIF) 22.0%, which is reported as cash and cash equivalents; State Treasurer’s Long-Term Investment Fund (LTIF) 9.0% and BlackRock’s Global Ex-US Alpha Tilts Fund B and BlackRock’s Russell 3000 Alpha Tilts Fund B 69.0% (the equities were split with 75.0% in domestic securities and 25% in international securities).

*Interest Rate Risk* – The Commission does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer’s Short-Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer’s Long-Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

*Credit Risk* – The Commission does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s LTIF is invested in treasuries, agencies, and corporate bonds with longer term maturities.

Reconciliation of footnote to basic financial statements:

	<u>City</u>	<u>Commission</u>	<u>Total</u>
<b>Total per footnote:</b>			
Total investments	\$ 36,232,735	\$ 14,042,052	\$ 50,274,787
Cash	18,260,590	62,792,224	81,052,814
Certificates of deposit	1,000,000	-	1,000,000
Petty cash	8,664	4,300	12,964
Total	<u>\$ 55,501,989</u>	<u>\$ 76,838,576</u>	<u>\$ 132,340,565</u>
<b>Total per Statement of Net Assets:</b>			
Cash and investments - unrestricted			\$ 105,370,845
Cash and investments - restricted			<u>26,969,720</u>
			<u>\$ 132,340,565</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**Note 3—Detailed notes on all funds (continued)**

**Receivables – Allowances for Doubtful Accounts**

Receivables at the government-wide level at June 30, 2015 were as follows:

	<b>Amount</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivables</b>
<b>Governmental Activities:</b>			
Taxes receivable	\$ 1,097,947	\$ 914,740	\$ 183,207
Accounts receivable:			
Rescue fees receivable	3,427,916	1,829,029	1,598,887
Lot cutting fees receivable	461,345	302,610	158,735
Parking violations receivable	176,463	52,815	123,648
Loans receivable	776,373	-	776,373
Other receivables	2,243,048	483,331	1,759,717
Due from other governments	3,850,361	-	3,850,361
Total governmental activities	<u>\$ 12,033,453</u>	<u>\$ 3,582,525</u>	<u>\$ 8,450,928</u>
<b>Business-Type Activities:</b>			
Greenville Utilities Commission	\$ 38,613,209	\$ 9,777,684	\$ 28,835,525
Other nonmajor enterprise	2,563,069	732,857	3,295,926
Due from other governments	2,075,234	-	2,075,234
Total business-type activities	<u>\$ 43,251,512</u>	<u>\$ 10,510,541</u>	<u>\$ 32,740,971</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Capital Assets**

*Primary Government* – Capital asset activity for the primary government for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Governmental Activities</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 40,773,921	\$ 69,656	\$ (8,680)	\$ -	\$ 40,834,897
Right-of-way easements	7,419,133	243,200	(95,520)	-	7,566,813
Construction in progress	27,240,944	12,565,250	(1,172,584)	(3,355,540)	35,278,070
Total capital assets not being depreciated	75,433,998	12,878,106	(1,276,784)	(3,355,540)	83,679,780
<b>Capital Assets Being Depreciated:</b>					
Buildings	58,041,949	141,732	(62,714)	-	58,120,967
Improvements	8,848,922	219,583	(71,280)	-	8,997,225
Infrastructure	79,216,738	671,720	(186,375)	-	79,702,083
Machinery and equipment	18,955,021	462,208	(1,029,188)	2,156,938	20,544,979
Total capital assets being depreciated	165,062,630	1,495,243	(1,349,557)	2,156,938	167,365,254
<b>Less Accumulated Depreciation For:</b>					
Buildings	(27,660,155)	(2,269,338)	34,309	-	(29,895,184)
Improvements	(5,941,457)	(644,046)	66,414	-	(6,519,089)
Infrastructure	(21,441,049)	(1,272,570)	123,007	-	(22,590,612)
Machinery and equipment	(18,692,622)	(1,561,276)	1,176,259	2,125,469	(16,952,170)
Total accumulated depreciation	(73,735,283)	(5,747,230)	1,399,989	2,125,469	(75,957,055)
Total capital assets being depreciated, net	91,327,347	(4,251,987)	50,432	4,282,407	91,408,199
Governmental activities capital assets, net	\$ 166,761,345	\$ 8,626,119	\$ (1,226,352)	\$ 926,867	\$ 175,087,979
<b>Internal Service Fund:</b>					
<b>(reported in Governmental Activities)</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Construction in progress	\$ -	\$ 219,959	\$ -	\$ -	\$ 219,959
Total capital assets not being depreciated	-	219,959	-	-	219,959
<b>Capital Assets Being Depreciated:</b>					
Vehicles	16,904,331	3,158,061	(68,243)	1,198,602	21,192,751
Machinery and equipment	-	69,024	-	-	69,024
Improvements	-	443,575	-	-	443,575
Less accumulated depreciation	(8,592,273)	(2,830,251)	68,243	(2,125,469)	(13,479,750)
Total capital assets being depreciated, net	8,312,058	840,409	-	(926,867)	8,225,600
Capital assets, net	\$ 8,312,058	\$ 1,060,368	\$ -	\$ (926,867)	\$ 8,445,559

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**Note 3—Detailed notes on all funds (continued)**

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

General government	\$ 930,844
Public safety	1,276,067
Cultural and recreational	2,267,750
Transportation - related to infrastructure	1,272,570
Total	<u>\$ 5,747,231</u>
 General government - Internal Service Fund	 <u>\$ 2,830,251</u>

A summary of changes in the City's capital assets used in business-type activities follows. This schedule represents business-type activity capital assets managed by the City, excluding the Commission.

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2015</b>
<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Construction in progress	\$ 48,895	\$ 59,815	\$ (48,895)	\$ 59,815
Total capital assets not being depreciated	48,895	59,815	(48,895)	59,815
<b>Capital Assets Being Depreciated:</b>				
Machinery and equipment	6,639,407	801,239	(155,272)	7,285,374
Infrastructure	7,531,963	167,930	(62,125)	7,637,768
Total capital assets being depreciated	14,171,370	969,169	(217,397)	14,923,142
<b>Less Accumulated Depreciation:</b>				
Machinery and equipment	(5,517,598)	(288,268)	9,323	(5,815,184)
Infrastructure	(16,248)	(144,607)	41,003	(119,852)
Total accumulated depreciation	(5,533,846)	(432,875)	50,326	(5,935,036)
Total capital assets being depreciated, net	8,637,524	536,294	(167,071)	8,988,106
<b>Business-type activity capital assets, net</b>	<b>\$ 8,686,419</b>	<b>\$ 596,109</b>	<b>\$ (215,966)</b>	<b>\$ 9,047,921</b>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Capital asset activity for the Commission for the year ended June 30, 2015, was as follows:

	Balance			Balance	
	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 3,595,641	\$ 1,800	\$ -	\$ 31,456	\$ 3,628,897
Easements	51,382	-	-	(14,590)	36,792
Construction in progress	46,330,239	17,094,270	-	(7,965,447)	55,459,062
Total capital assets not being depreciated	49,977,262	17,096,070	-	(7,948,581)	59,124,751
<b>Capital Assets Being Depreciated:</b>					
Land improvements	2,720,730	150,480	-	(16,866)	2,854,344
General plant	12,690,606	97,132	-	-	12,787,738
Utility plant	124,910,929	654,328	-	5,420,141	130,985,398
Computer software	7,059,040	92,205	-	1,100,007	8,251,252
Vehicles and equipment	22,110,192	2,591,253	(591,603)	400,982	24,510,824
Distribution systems	410,108,927	5,413,884	-	899,326	416,422,137
Transmission systems	33,097,055	74,885	-	-	33,171,940
Computer hardware	2,867,034	52,318	-	144,991	3,064,343
Fiber optics	2,067,818	52,972	-	-	2,120,790
Total capital assets being depreciated	617,632,331	9,179,457	(591,603)	7,948,581	634,168,766
<b>Less Accumulated Depreciation For:</b>					
Land improvements	966,714	84,303	-	-	1,051,017
General plant	5,888,545	332,398	-	-	6,220,943
Utility plant	51,185,679	4,004,548	-	1,994,649	57,184,876
Computer software	6,871,563	399,487	-	-	7,271,050
Vehicles and equipment	19,046,302	1,708,205	(591,603)	(14,499)	20,148,405
Distribution systems	200,581,606	10,381,898	-	(1,994,649)	208,968,855
Transmission systems	20,031,827	935,888	-	-	20,967,715
Computer hardware	2,544,204	187,435	-	14,499	2,746,138
Fiber optics	910,520	106,040	-	-	1,016,560
Total accumulated depreciation	308,026,960	18,140,202	(591,603)	-	325,575,559
Total capital assets being depreciated, net	309,605,371	(8,960,745)	-	7,948,581	308,593,207
Net Capital Assets	\$359,582,633	\$ 8,135,325	\$ -	\$ -	\$367,717,958

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2015 totaled \$7,677,763, \$3,892,751, \$4,863,901, and \$1,705,787, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Construction Commitments (Commission)**

The Commission has active construction projects as of June 30, 2015. At year-end, the Commission's commitments with contractors are as follows:

<u>Project Name</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Electric distribution system	\$ 4,213,830	\$ 4,292,069
Water treatment and distribution system	199,958	1,519,617
Sewer treatment and collection system	25,281,077	2,708,715
Natural gas distribution system	5,909,783	886,514
Total	<u>\$ 35,604,648</u>	<u>\$ 9,406,915</u>

**Liabilities**

**Accounts Payable and Accrued Liabilities**

Payables at the government-wide level at June 30, 2015 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Trade payable	\$ 3,134,457	\$ 20,418,477
Accrued salaries and fringes	2,680,090	1,539,575
Other accrued expenses	-	30,303
Total	<u>\$ 5,814,547</u>	<u>\$ 21,988,355</u>

**Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

Plan Description – The City of Greenville and the Commission contribute to the State-wide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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](http://www.osc.nc.gov).

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### Note 3—Detailed notes on all funds (continued)

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

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

*Contributions* – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Greenville and Commission 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 Greenville's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% 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 Greenville were \$2,684,845 for the year ended June 30, 2015. The Commission's contributions to LGERS were \$1,789,817 for the year ended June 30, 2015.

*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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (City of Greenville)***

At June 30, 2015, the City reported an asset of \$4,355,218 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset 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, 2014, the City's proportion was 0.029%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$193,760. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 475,883
Net difference between projected and actual earnings on pension plan investments	-	10,138,847
Changes in proportion and differences between contributions and proportionate share of contributions	-	316,367
Contributions subsequent to the measurement date	2,684,845	-
Total	<u>\$ 2,684,845</u>	<u>\$ 10,931,097</u>

\$2,684,845 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$ (2,733,270)
2017	(2,733,270)
2018	(2,733,270)
2019	<u>(2,731,287)</u>
Total	<u>\$ (10,931,097)</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Actuarial Assumptions* – The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	4.25% to 8.55%, including inflation and productivity factor
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*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.

*Sensitivity of the City’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate* – The following presents the City’s proportionate share of the net pension asset calculated using the discount rate of 7.25 %, 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%) or one percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability (asset)	\$ 14,783,490	\$ (4,355,215)	\$ (20,469,390)

*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.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Commission)***

At June 30, 2015, the Commission reported an asset of \$2,480,945 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Commission’s proportion of the net pension asset was based on a projection of the Commission’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, 2014, the Commission’s proportion was 0.421%, which was an increase of 0.001% from its proportion measured as of June 30, 2013.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

For the year ended June 30, 2015, the Commission recognized pension expense of \$175,535. At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 271,087
Net difference between projected and actual earnings on pension plan investments	79,770	5,775,583
Commission contributions subsequent to the measurement date	1,789,817	-
<b>Total</b>	<b>\$ 1,869,587</b>	<b>\$ 6,046,670</b>

\$1,789,817 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2016	\$ 19,993	\$ (1,511,837)
2017	19,993	(1,511,837)
2018	19,993	(1,511,837)
2019	19,791	(1,511,159)
<b>Total</b>	<b>\$ 79,770</b>	<b>\$ (6,046,670)</b>

*Sensitivity of the Commission's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate –* The following presents the Commission's proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the Commission'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%) or one percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability (asset)	\$ 8,421,399	\$ (2,480,943)	\$ (11,660,365)

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

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

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	188
	<hr/>
Total	209
	<hr/> <hr/>

A separate report is not issued for the plan.

**Summary of Significant Accounting Policies**

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

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

*Contributions* – The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. 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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

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

Employer annual required contribution	\$ 650,532
Interest on net pension obligation	112,082
Adjustment to annual required contribution	(189,363)
Annual pension cost	<u>573,251</u>
Contribution made	352,646
Increase (decrease) in net pension obligation	<u>220,605</u>
Net pension obligation:	
Beginning of year, July 1, 2014	<u>2,241,640</u>
End of year, June 30, 2015	<u><u>\$ 2,462,245</u></u>

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>Cost (APC)</u>	<u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2013	\$ 488,195	66.18 %	\$ 2,088,146
2014	475,663	67.73	2,241,640
2015	573,251	61.52	2,462,245

Funded Status and Funding Progress – As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (“UAAL”) was \$5,093,933. The covered payroll (annual payroll of active employees covered by the plan) was \$10,189,266, and the ratio of the UAAL to the covered payroll was 49.99%.

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 are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

---

**Note 3—Detailed notes on all funds (continued)**

**Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description* – The City contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (“CAFR”) for the State of North Carolina. 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 each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 were \$1,328,551, which consisted of \$734,120 from the City and \$594,430 from the law enforcement officers.

**Post-Employment Benefits**

*Deferred Compensation Plan* – The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit 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. Participation in the plan is at the option of the employee.

Investments are managed by the plan’s trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Other Post-Employment Benefits – Healthcare Benefits Plan (City Except Commission)**

*Plan Description* – The City administers a single-employer defined benefit plan for post-retirement healthcare and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed five years of service. Also, an employee is eligible for disability retirement when he/she has completed five years of service. Upon service, early or disability retirement as approved by the North Carolina Local Governmental Employees’ Retirement System, and upon meeting the criteria established by the City, employees with a minimum of five continuous years of service with the City are eligible to continue insurance coverage. Healthcare and prescription drugs are provided in the City’s retiree healthcare plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The City obtains post-65 healthcare and life insurance coverage through a private insurer and is self-funding the health insurance coverage for pre-65 retirees up to \$200,000 per person per year. The City Council may amend the benefit provisions. A separate report is not issued for the plan.

Membership of the plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependable receiving benefits	225	-
Terminated plan members entitled to, but not yet receiving benefits	-	-
Active plan members	557	186
Total	782	186

*Funding Policy* – The City’s obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 healthcare coverage for the retiree. Members hired prior to July 1, 2011, who retire with less than 20 years of service, contribute 100% of the estimated cost for pre-65 healthcare coverage for the retiree. Retirees who elect to have dependent healthcare coverage contribute 100% of the estimated cost of the coverage. Participating retired employees hired prior to July 1, 2011 with a minimum of 20 years of service shall have their coverage transferred to a Medicare Supplemental plan after qualifying for Medicare, with the City continuing to pay the same dollars towards the premium cost as it pays for retirees under the base plan. For retired employees hired on or after July 1, 2011 with a minimum of 20 years of service, the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The City pays 50% of the total life insurance premium cost for those retirees who have that benefit. Members hired on or after July 1, 2011 who retire with less than 20 years of service will not be eligible for post-retirement coverage.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member's age at retirement and their length of service as detailed below.

Years of Service	Age of Retirement	
	55-59	60+
20 - 24 years	50%	65%
25+ years	75%	90%

For members that retire, the City pays the percentage of medical costs as described in the previous section under a City resolution that can be amended by the City Council. The City's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage.

The current ARC is 8.35% of annual covered payroll. For the current year, the City contributed \$1,381,521, or 3.75%, of annual covered payroll. Per a City resolution, the City is required to contribute an increase of \$50,000 each year to a maximum of \$500,000 for all future years and \$250 stipend for post-65 coverage with tiered structure for pre-65 coverage. The City is self-insured up to certain limits and purchases re-insurance for additional coverage from a private carrier. Contributions by employees for the fiscal year ended June 30, 2015 were \$1,484,999 and included dependent coverage. The City's obligation to contribute to the plan is established and may be amended by the City Council.

*Summary of Significant Accounting Policies* – The plan's financial statements are prepared using the accrual basis of accounting. Plan members contributions are recognized in the period in which the contributions are due, which is when the related benefit payments are made and discretionary pre-funded amounts are recognized when contributed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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 of assets, consistent with the long-term perspective of the calculations.

The City participates in the State Treasurer's Local Government Other Post-Employment Benefits ("OPEB") Fund pursuant to G.S. 147-69.4, and under a City resolution, the City provides contributions to the State OPEB Plan. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the State OPEB Fund are financed through investment earnings. The City's participation in the State OPEB Fund is reported as the OPEB Trust Fiduciary Fund in the City's financial statements.

*Annual OPEB Cost and Net OPEB Obligation* – The City's annual Other Post-Employment Benefit ("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 30 years.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**Note 3—Detailed notes on all funds (continued)**

The following table shows the components of the City’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation for the post-employment healthcare benefits:

Annual required contribution	\$ 3,074,540
Interest on net OPEB obligation	1,319,023
Adjustments to annual contribution	<u>(1,006,581)</u>
Annual OPEB cost (expense)	3,386,982
Contribution made	<u>1,381,521</u>
Increase in net pension obligation	2,005,461
Net OPEB obligation, beginning of year	<u>18,843,188</u>
Net OPEB obligation, end of year	<u><u>\$ 20,848,649</u></u>

The net OPEB obligation is allocated as follows:

Government activities	\$ 19,039,144
Nonmajor enterprise funds:	
Public Transportation Fund	354,034
Stormwater Utility Fund	413,039
Sanitation Fund	<u>1,042,432</u>
Total	<u><u>\$ 20,848,649</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 3,580,513	32.50 %	\$ 17,432,573
2014	3,356,647	59.98	18,843,188
2015	3,386,982	40.79	20,848,649

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### Note 3—Detailed notes on all funds (continued)

*Funded Status and Funding Progress* – As of December 31, 2013, the most recent actuarial valuation date, the plan was 6.3% funded. The actuarial accrued liability for benefits was \$35,843,760, and the actuarial value of assets was \$2,257,955, resulting in an unfunded actuarial accrued liability (UAAL) of \$33,585,805. The covered payroll (annual payroll of active employees covered by the plan) was \$36,818,894, and the ratio of the UAAL to the covered payroll was 91.2%.

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 cost 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.

*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.

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75% to 5.0% annually. Both rates included a 3.0% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 28 years.

### Other Post-Employment Benefits – Healthcare Benefits Plan (Commission)

*Plan Description* – The Commission administers a single-employer defined benefit plan for post-retirement healthcare and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed five years of service. Also, an employee is eligible for disability retirement when he/she has completed five years of service. Upon service, early or disability retirement as approved by the North Carolina Local Governmental Employees' Retirement System and upon meeting the criteria established by the Commission, employees with a minimum of 5 continuous years of service with the Commission if hired before July 1, 2011 or with a minimum of 20 continuous years of service with the Commission if hired on or after July 1, 2011, are eligible to continue insurance coverage. Healthcare and prescription drugs are provided in the Commission's retiree healthcare plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The Commission obtains post-65 healthcare coverage and life insurance coverage through a private insurer and self-funds the healthcare coverage for pre-65 retirees up to \$200,000 per person per year. A separate report was not issued for the plan.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Membership of the post-retirement benefit plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	160
Active members	428
	<hr/>
Total	588
	<hr/> <hr/>

*Funding Policy* – The Commission’s obligation to contribute to the post-retirement benefit plan is established and may be amended by the Board of Commissioners. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 healthcare coverage for the retiree. Members hired prior to July 1, 2011 who retire with less than 20 years of service contribute 100% of the estimated cost for pre-65 healthcare coverage for the retiree. Retirees who elect to have dependent healthcare coverage contribute 100% of the estimated cost of coverage. Participating retired employees hired prior to July 1, 2011 with a minimum of 20 years of service shall have their coverage transferred to a Medicare supplemental plan after qualifying for Medicare, with the Commission continuing to pay the same dollars toward the premium cost as it pays for retirees under the base plan. For retired employees hired on or after July 1, 2011 with a minimum of 20 years of service the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit. Members hired on or after July 1, 2011 who retire with less than 20 years of service will not be eligible for post-retirement coverage. The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member’s age at retirement and their length of service as detailed below:

<u>Years of Service</u>	<u>Age of Retirement</u>	
	<u>55-59</u>	<u>60+</u>
20 - 24 years	50%	65%
25+ years	75%	95%

The current annual required contribution rate (ARC) is 7.67% of annual covered payroll. For fiscal year 2015, the Commission contributed \$1,297,207, or 5.7% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2015 were \$215,885 and included dependent coverage and a portion of member coverage. The Commission is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

*Summary of Significant Accounting Policies* – The plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the plan are financed through investment earnings.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Annual OPEB Cost and Net OPEB Obligation* – The Commission’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 30 years. The following table shows the components of the Commission’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission’s net OPEB obligation for the post-retirement benefits:

Annual required contribution	\$ 1,751,427
Interest on net OPEB obligation	759,502
Adjustment to annual required contribution	(618,408)
Annual OPEB cost (expense)	<u>1,892,521</u>
Contributions made	<u>(1,297,207)</u>
Increase (decrease) in net OPEB obligation	595,314
Net OPEB obligation - beginning of year	<u>10,850,025</u>
Net OPEB obligation - end of year	<u><u>\$ 11,445,339</u></u>

The Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2013, 2014, and 2015 were as follows:

<b>Year Ended</b>	<b>Annual OPEB</b>	<b>Percentage of</b>	<b>Net OPEB</b>
<b>June 30</b>	<b>Cost</b>	<b>Annual OPEB</b>	<b>Obligation</b>
<u>          </u>	<u>          </u>	<u>Cost</u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>Contributed</u>	<u>          </u>
2013	\$ 1,906,842	52.489%	\$ 9,959,695
2014	1,920,431	53.639%	10,850,025
2015	1,892,521	68.544%	11,445,339

*Funded Status and Funding Progress* – As of December 31, 2014, the most recent actuarial valuation date, the plan was 7.4% funded. The actuarial accrued liability for benefits was \$25,073,947, and the actuarial value of assets was \$1,854,800, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,219,147. The covered payroll (annual payroll of active employees covered by the plan) was \$24,675,093 and the ratio of the UAAL to the covered payroll was 94.1%.

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 GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*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. In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) 7.00% investment rate of return, which included an inflation component of 3.00% and (b) 7.50% - 5.00% pre-Medicare medical cost trend rate and 5.50% - 5% post-Medicare medical cost trend rate with 2020 the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 27 years.

The financial statements for the Utilities Commission’s Other Post-Employment Benefits Trust Fund can be found in the separately issued financial statements for the Greenville Commission for the year ended June 30, 2015.

**Other Employment Benefits**

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees’ Retirement System (“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 system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system 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 month’s 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. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources in the Statement of Net Position at year-end, other than those related to pension deferrals, are comprised of unamortized bond refunding charges. Deferred inflows of resources in the Statement of Net Position are related to pension deferrals.

Deferred inflows of resources in the Fund Financial Statements, at year-end are comprised of the following:

	<b>Unavailable Revenue</b>	<b>Unearned Revenue</b>
Property taxes receivable	\$ 183,207	\$ -
Other receivables (General Fund)	1,980,691	-
Connection fees	-	283,471
Total	<u>\$ 2,163,898</u>	<u>\$ 283,471</u>

**Unearned Revenue (Commission)**

Unearned revenue totaling \$111,691 in the Water Fund and \$171,780 in the Sewer Fund consists of connection fees that were paid in advance for services that have not yet been installed. The fees paid in advance will be recognized as revenue by the Commission at the time the service is installed.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Long-Term Obligations**

*Changes in Long-Term Debt*— The following is a summary of changes in the long-term obligations of the City for the year ended June 30, 2015:

	Balance			Balance	
	July 1, 2014	Additions	Retirements	June 30, 2015	Current Portion
<b>Governmental Activities</b>					
General obligation bonds	\$ 10,222,476	\$ -	\$ 828,461	\$ 9,394,015	\$ 825,466
Special obligation revenue	3,165,000	4,200,000	440,000	6,925,000	470,000
Installment purchase contracts	23,192,045	-	2,497,604	20,694,441	2,464,554
LEO separation allowance	2,241,640	573,251	352,646	2,462,245	-
Net pension liability (LGERS)	7,957,656	-	7,957,656	-	-
OPEB accrued liability	17,049,427	1,989,717	-	19,039,144	-
Compensated absences	2,921,729	2,483,469	2,264,596	3,140,602	2,198,421
Total governmental	\$ 66,749,973	\$ 9,246,437	\$ 14,340,963	\$ 61,655,447	\$ 5,958,441
<b>Business-type Activities</b>					
<i>Managed by the City</i>					
General obligation bonds	\$ 4,207,524	\$ -	\$ 194,537	\$ 4,012,987	\$ 194,534
Installment purchase contracts	315,000	360,000	45,000	630,000	96,428
Net pension liability (LGERS)	1,085,135	-	1,085,135	-	-
OPEB accrued liability	1,793,761	142,575	126,831	1,809,505	-
Compensated absences	201,993	171,694	160,710	212,977	149,084
Total	7,603,413	674,269	1,612,213	6,665,469	440,046
<i>Managed by Commission</i>					
Revenue bonds	72,136,399	-	7,735,400	64,400,999	7,719,000
Other types of debt	38,488,921	811,442	3,741,029	35,559,334	2,592,616
Discounts and premiums	888,716	-	108,690	780,026	-
Compensated absences	1,894,063	1,679,619	1,641,057	1,932,625	1,539,096
Other postemployment benefits	10,850,025	595,314	-	11,445,339	-
Net pension liability (LGERS)	5,066,229	-	5,066,229	-	-
Total long-term liabilities	129,324,353	3,086,375	18,292,405	114,118,323	11,850,712
Total business-type	\$ 136,927,766	\$ 3,760,644	\$ 19,904,618	\$ 120,783,792	\$ 12,290,758

The net pension obligation typically has been liquidated by the General Fund. Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

The LGERS plan had a net pension asset at June 30, 2015, however, the plan has a net pension liability at the beginning of the fiscal year.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. The City has also issued revenue bonds and pledges the income derived from the acquired or constructed assets to pay debt service.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

<u>General Fund Obligation Bonds</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Serviced by the City:		
1998 Public Improvement, Series 1998 \$3,525,000 original issue, due in semi-annual installments of \$100,000 to \$300,000 through 2017, plus interest from 4.3% to 4.5%.	\$ 425,000	\$ -
2003 Public Improvement, Series 2003, \$1,250,000 original issue, due in annual installments of \$65,000 to \$70,000 through 2021, plus interest from 3.0% to 4.5%.	410,000	-
2006 Public Improvement, Series 2006, \$12,715,000 original issue, due in annual installments of \$135,000 to \$540,000 through 2031, plus interest from 4.125% to 5%.	5,994,015	4,012,987
2011 Public Improvement, Series 2011, \$3,225,000 original issue due in annual installments of \$160,000 to \$165,000 through 2031, plus interest from 2.0% to 4.0%.	<u>2,565,000</u>	<u>-</u>
<b>Total General Obligation Bonds</b>	<u><b>\$ 9,394,015</b></u>	<u><b>\$ 4,012,987</b></u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30	Governmental Funds			Nonmajor Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 825,466	\$ 377,743	\$ 1,203,209	\$ 194,534	\$ 172,425	\$ 366,959
2017	783,215	343,620	1,126,835	286,787	162,699	449,486
2018	727,087	310,497	1,037,584	332,913	148,359	481,272
2019	730,082	283,052	1,013,134	334,919	134,627	469,546
2020	728,076	254,614	982,690	336,924	120,811	457,735
2021-2025	3,560,050	841,654	4,401,704	1,804,950	381,296	2,186,246
2026-2031	2,040,039	203,124	2,243,163	721,960	46,026	767,986
<b>Total</b>	<u><b>\$ 9,394,015</b></u>	<u><b>\$ 2,614,304</b></u>	<u><b>\$12,008,319</b></u>	<u><b>\$ 4,012,987</b></u>	<u><b>\$ 1,166,243</b></u>	<u><b>\$ 5,179,230</b></u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Special Obligation Revenue Bonds* – A summary of the City’s special obligation revenue bonds is as follows:

2011 Refunding Special Obligation Revenue Bonds, \$4,290,000 original issue, due in annual installments of \$325,000 to \$490,000 through 2021, plus interest at 2.89%	\$ 2,745,000
2015 Special Obligation Revenue Bonds \$4,200,000 original issue, due in annual installments of \$20,000 to \$663,398 through 2027, plus interest at 3.25%	4,180,000
<b>Total Special Obligation Bonds</b>	<b>\$ 6,925,000</b>

Annual debt service requirements to maturity for the City’s special obligation revenue bonds are as follows:

<b>Year Ended</b>	<b>Governmental Funds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30,</b>			
2016	\$ 470,000	\$ 215,181	\$ 685,181
2017	495,000	201,436	696,436
2018	525,000	186,932	711,932
2019	555,000	171,490	726,490
2020	585,000	155,126	740,126
2021-2025	2,989,086	503,571	3,492,657
2026-2027	1,305,914	64,003	1,369,917
<b>Total</b>	<b>\$ 6,925,000</b>	<b>\$ 1,497,739</b>	<b>\$ 8,422,739</b>

The City has pledged net occupancy tax revenues and other replacement revenues to repay these revenue bonds, of which \$6,925,000 is currently outstanding. These bonds are a combination of a fiscal year 2015 proceeds for a new expansion to the convention center, and the proceeds from the 2011 bonds which refinanced the previous 2001 Series Bonds, those proceeds were for the construction, furnishing, and equipping of a Convention Center. The bonds are payable solely from proceeds from Occupancy Tax Collections and are payable through 2027. Annual principal and interest payments on the debt are expected to require 4% of gross Occupancy Tax. The total principal and interest remaining to be paid on the bonds is \$3,560,164. Principal and interest paid for the current year bonds, debt service revenues from occupancy tax, and total Occupancy Tax were \$583,794, \$1,225,559, and \$1,838,338, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Installment Purchase Contracts* – A summary of the installment purchase contracts serviced by the City is as follows:

<u><b>Governmental Activities</b></u>	<u><b>Governmental Funds</b></u>
2012 Installment Purchase Contract, \$19,950,000 original issue, due in semi-annual installments of \$500,000 to \$1,040,000 through 2025, plus interest at 1.59%.	\$ 13,560,000
2012 Installment Purchase Contract, \$2,591,372 original issue, due in quarterly installments of \$29,987 to \$61,004 through 2029, plus interest at 2.42%.	2,470,066
2013 Installment Purchase Contract \$4,997,546 original issue, due in semi-annual installments of \$169,292 to 255,014 through 2029, plus interest at 3.25%.	4,664,375
<b>Total Governmental Activities</b>	<u><u>\$ 20,694,441</u></u>
<u><b>Business-Type Activities</b></u>	<u><b>Sanitation Fund</b></u>
annual installments of \$45,000 to \$51,831 through 2020, plus interest at 2.53%.	\$ 270,000
annual installments of \$52,145 to \$56,450 through 2022, plus interest at 2.79%.	360,000
<b>Total Business-Type Activities</b>	<u><u>\$ 630,000</u></u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the City’s installment purchase contracts are as follows:

<b>Year Ended</b>	<b>Governmental Activities</b>			
	<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$	2,464,554	\$ 415,180	\$ 2,879,734
2017		2,371,752	369,666	2,741,418
2018		2,324,205	325,445	2,649,650
2019		2,276,922	278,084	2,555,006
2020		2,234,911	238,994	2,473,905
2021-2025		6,889,472	678,148	7,567,620
2026-2029		2,132,625	134,637	2,267,262
Total	\$	<u>20,694,441</u>	<u>\$ 2,440,154</u>	<u>\$ 23,134,595</u>

<b>Year Ended</b>	<b>Business-Type Activities</b>			
	<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$	96,428	\$ 16,158	\$ 112,586
2017		96,428	13,584	110,012
2018		96,428	11,011	107,439
2019		96,428	8,438	104,866
2020		96,428	5,864	102,292
2021-2022		147,860	1,856	149,716
Total	\$	<u>630,000</u>	<u>\$ 56,911</u>	<u>\$ 686,911</u>

**Debt Serviced by the Electric Fund**

**Revenue Bonds**

The Commission issues revenue bonds to provide financing for extension, expansion, and improvement projects within the Electric Fund. The Commission has pledged future electric customer revenues and other unrestricted revenues including revenues of the Water, Sewer, and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$17,220,720 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 14% of net revenues, or less than 2% of total revenues. The total principal and interest remaining to be paid on the bonds is \$21,114,632. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,512,366, \$17,884,691 and \$199,754,873, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Revenue bonds outstanding at year end are as follows:

Description	Amount
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,840,154, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016.	\$ 676,635
Series 2005 Revenue Bonds with an original issue amount of \$2,607,909, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	1,649,502
Series 2008A Revenue Bonds with an original issue amount of \$3,903,762, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on November 1, 2033.	3,903,762
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,084,583, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018.	524,053
Series 2008A Refunding Revenue Bonds with an original issue amount of \$605,347, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2020.	358,715
Series 2008B Taxable Revenue Bonds with an original issue amount of \$4,130,000, due in annual installments with varying interest rates from 5.3% to 5.78%, final payment will be made on November 1, 2018.	1,930,000
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,902,210, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	2,794,131
Series 2013 Refunding Revenue Bonds with an original issue amount of \$283,932, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	157,156
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,182,959, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027.	5,235,766
	<u>\$17,229,720</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the Commission’s Electric Fund revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,926,491	\$ 571,821	\$ 2,498,312
2017	1,998,344	494,807	2,493,151
2018	1,699,088	423,946	2,123,034
2019	1,699,311	361,065	2,060,376
2020	1,239,325	310,090	1,549,415
2021-2025	4,962,832	1,084,927	6,047,759
2026-2030	2,381,906	510,091	2,891,997
2031-2034	1,322,423	128,165	1,450,588
Total	<u>\$ 17,229,720</u>	<u>\$ 3,884,912</u>	<u>\$ 21,114,632</u>

*Other Types of Debt* – The Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Electric Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2011 installment purchase contract with an original loan amount of \$848,231 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	\$176,101
Series 2013 installment purchase contract with an original loan amount of \$945,064 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	317,786
	<u>\$493,887</u>

Annual debt service requirements to maturity for the Commission’s Electric Fund installment purchase contracts are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 493,887	\$ 6,297	\$ 500,184
Total	<u>\$ 493,887</u>	<u>\$ 6,297</u>	<u>\$ 500,184</u>

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### **Note 3—Detailed notes on all funds (continued)**

*Take or Pay Contract* – The Commission has a long-term take-or-pay all requirements contract with the North Carolina Eastern Municipal Power Agency (NCEMPA) for the delivery of wholesale electric power. NCEMPA is a joint agency formed by 32 municipal entities, including the Commission, which has ownership interests in two coal-fired and three nuclear-fueled generation plants (initial project). The Commission, through its agreement with NCEMPA, has the right to 16.1343% of initial project output and is obligated to pay its relative share of operating costs and debt service for the initial project. The Commission is obligated to pay its share of the operating costs and debt service regardless of the ability of NCEMPA to provide electricity or to meet the Commission's need for electricity. This contract constitutes an obligation of the Electric Enterprise Fund to make payments from operating revenues. The Electric Enterprise Fund's share of this obligation is not recorded as a liability on the accompanying basic financial statements; however, it is included as a component of its power supply expenses. The Commission's share of initial project's debt obligations at June 30, 2015 was approximately \$277.8 million. As of the date of this report, NCEMPA is satisfying its obligations from its own operations and, accordingly, no provision for contingent liability is reported in the Commission's financial statements.

The Commission, together with the other 31 members of NCEMPA, entered into negotiations with Duke Energy Progress regarding the sale of its ownership interest in the generating plants. The intent of the negotiations was to divest NCEMPA of its ownership interests in the generating plants and to use the proceeds to offset the debt associated with the generating assets. The sale of ownership interest in the generating plants was finalized on July 31, 2015. Additional information regarding the sale and the impact on the Commission is provided in Note 12 – Significant Effects of Subsequent Events.

#### **Debt Serviced by Water Fund:**

##### **Revenue Bonds**

The Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Water Fund. The Commission has pledged future water customer revenues and other unrestricted revenues including revenues of the Electric, Sewer and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$20,389,681 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 54% of net revenues or less than 18% of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,639,320. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,349,368, \$5,658,044 and \$17,332,931, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**Note 3—Detailed notes on all funds (continued)**

Revenue bonds outstanding at year end are as follows:

<b>Description</b>	<b>Amount</b>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,538,624, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016.	\$366,560
Series 2005 Revenue Bonds with an original issue amount of \$1,356,029, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	857,689
Series 2008A Revenue Bonds with an original issue amount of \$10,641,133, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033.	9,068,076
Series 2008A Refunding Revenue Bonds with an original issue amount of \$2,378,250, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018.	1,149,132
Series 2008A Refunding Revenue Bonds with an original issue amount of \$11,924,653, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2020.	7,066,284
Series 2010 Refunding Revenue Bonds with an original issue amount of \$1,695,666, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	1,214,162
Series 2013 Refunding Revenue Bonds with an original issue amount of \$141,966, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	78,578
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,204,100, issued to refund the 2.87% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	589,200
	<u>\$20,389,681</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,236,868	\$ 869,547	\$ 3,106,415
2017	2,327,560	774,015	3,101,575
2018	2,230,679	671,347	2,902,026
2019	2,104,586	569,800	2,674,386
2020	1,887,066	475,534	2,362,600
2021-2025	4,211,090	1,626,790	5,837,880
2026-2030	2,747,573	989,926	3,737,499
2031-2034	2,644,259	272,680	2,916,939
Total	<u>\$ 20,389,681</u>	<u>\$ 6,249,639</u>	<u>\$ 26,639,320</u>

*Other Types of Debt* – The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and resources, rivers, lakes, reservoirs, springs, and ground water wells. Congress established the Drinking Water State Revolving Fund loan program in the 1996 amendments to provide financial assistance to public water systems to comply with the SDWA. The states are required to provide 20% matching funds. To fund drinking water capital projects that protect public health, the State of North Carolina makes loans at one-half of the market rate for a period of up to 20 years.

The Commission's drinking water loans outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
2.205% Drinking Water State Revolving Fund loan issued in 2004 to finance an inter-basin transfer analysis and the construction of a major water main, \$4,014,597 authorized and \$3,884,913 drawn to date, due in annual installments of \$194,246 with a final payment on May 1, 2030.	\$2,913,685
2.50% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$460,425 authorized and \$460,425 drawn to date, due in annual installments of \$23,021 with a final payment on May 1, 2033.	414,383
2.50% Drinking Water State Revolving Fund loan issued in 2010 to finance the construction of a new water main, \$300,055 authorized and \$269,492 drawn to date, due in annual installments of \$13,475 with a final payment on May 1, 2030.	202,120
2.01% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$1,442,000 authorized and \$1,291,496 drawn to date, due in annual installments of \$64,575 with a final payment on May 1, 2033.	1,162,346
	<u>\$4,692,534</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the Commission's Water Fund Drinking Water State Revolving Fund loans are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 295,316	\$ 103,022	\$ 398,338
2017	295,316	96,529	391,845
2018	295,316	90,036	385,352
2019	295,316	83,542	378,858
2020	295,316	77,049	372,365
2021-2025	1,476,582	287,841	1,764,423
2026-2030	1,476,582	125,504	1,602,086
2031-2033	262,790	11,241	274,031
Total	<u>\$ 4,692,534</u>	<u>\$ 874,764</u>	<u>\$ 5,567,298</u>

The American Recovery and Reinvestment Act of 2009 (ARRA) was passed by Congress to create and save jobs, spur economic activity and invest in long-term economic growth, and to foster unprecedented levels of accountability and transparency in government spending. A portion of the Recovery funds were distributed to states based on funding formulas. The North Carolina Department of Environment and Natural Resources received over \$65 million to fund drinking water capital projects that protect public health. The State of North Carolina has made these funds available to local governments in the form of principal forgiveness loans and zero percent interest loans through the State Revolving Fund program. The Commission's ARRA loans outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
ARRA loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$2,942,152 authorized and \$2,942,152 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$73,554 with a final payment on May 1, 2030.	\$1,103,307
ARRA loan issued in 2009 to partially finance improvements to a water storage tank, \$48,982 authorized and \$44,782 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$1,120 with a final payment on May 1, 2031.	17,912
	<u>\$1,121,219</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the Commission’s Water Fund ARRA loans are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 74,673	\$ -	\$ 74,673
2017	74,673	-	74,673
2018	74,673	-	74,673
2019	74,673	-	74,673
2020	74,673	-	74,673
2021-2025	373,367	-	373,367
2026-2030	373,367	-	373,367
2031	1,120	-	1,120
Total	<u>\$ 1,121,219</u>	<u>\$ -</u>	<u>\$ 1,121,219</u>

The Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Water Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2011 installment purchase contract with an original loan amount of \$98,022 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	\$20,350
Series 2013 installment purchase contract with an original loan amount of \$123,706 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	41,597
	<u>\$61,947</u>

Annual debt service requirements to maturity for the Commission’s Water Fund installment purchase contract are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 61,947	\$ 771	\$ 62,718
Total	<u>\$ 61,947</u>	<u>\$ 771</u>	<u>\$ 62,718</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Debt Serviced by Sewer Fund:**

**Revenue Bonds**

The Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Sewer Fund. The Commission has pledged future sewer customer revenues and other unrestricted revenues including revenues of the Electric, Water, and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$20,607,322 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 41% of net revenues, or less than 17% of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,580,160. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,277,237, \$8,019,854 and \$19,364,309, respectively.

Revenue bonds outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016.	\$397,172
Series 2005 Revenue Bonds with an original issue amount of \$4,036,062, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	2,552,809
Series 2008A Revenue Bonds with an original issue amount of \$10,300,362, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033.	8,743,033
Series 2008A Refunding Revenue Bonds with an original issue amount of \$4,219,963, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018.	2,249,597
Series 2010 Refunding Revenue Bonds with an original issue amount of \$2,172,644, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	1,555,696
Series 2013 Refunding Revenue Bonds with an original issue amount of \$2,235,254, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	1,237,215
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,292,200, issued to refund the 2.57% Clean Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2020	3,871,800
	<u>\$20,607,322</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the Commission’s Sewer Fund revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,514,104	\$ 741,179	\$ 3,255,283
2017	2,573,023	661,905	3,234,928
2018	2,419,068	582,353	3,001,421
2019	2,046,302	506,601	2,552,903
2020	1,584,389	450,509	2,034,898
2021-2025	3,838,889	1,731,488	5,570,377
2026-2030	2,959,681	1,015,169	3,974,850
2031-2034	2,671,866	283,634	2,955,500
Total	<u>\$ 20,607,322</u>	<u>\$ 5,972,838</u>	<u>\$ 26,580,160</u>

*Other Types of Debt* – The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (“CWSRF”). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities and projects associated with estuary and non-point source programs. In North Carolina, these funds are made available to units of local government at one-half of the market rate for a period of up to 20 years. The Commission’s CWSRF loans outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
2.48% Clean Water State Revolving Fund loan issued in 2008 to finance upgrades to the electrical and SCADA systems at the wastewater treatment plant, \$13,851,680 authorized and \$13,761,629 drawn to date, due in annual installments of \$688,081 with a final payment on May 1, 2030.	\$10,321,222
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$9,241,586 authorized and \$7,982,868 drawn to date, due in annual installments of \$399,143 with a final payment on May 1, 2032.	6,596,630
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$13,987,369 authorized and \$12,286,880 drawn to date, due in annual installments of \$614,344 with a final payment on May 1, 2033.	<u>10,888,143</u>
	<u>\$27,805,995</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Annual debt service requirements to maturity for the Commission's Sewer Fund Clean Water State Revolving Fund loans are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,342,712	\$ 542,066	\$ 1,884,778
2017	1,701,569	652,082	2,353,651
2018	1,701,569	610,136	2,311,705
2019	1,701,569	568,191	2,269,760
2020	1,701,569	526,245	2,227,814
2021-2025	8,507,844	2,002,043	10,509,887
2026-2030	8,507,844	953,405	9,461,249
2031-2033	2,641,319	119,890	2,761,209
Total	<u>\$ 27,805,995</u>	<u>\$ 5,974,058</u>	<u>\$ 33,780,053</u>

The Commission entered into an inter-local agreement with the Town of Bethel to provide wastewater treatment services for the Town, which has its own wastewater collection system. The Commission and the Town of Bethel each financed portions of the infrastructure constructed to connect the Town of Bethel's collection system to the Commission's system. Under the terms of the inter-local agreement, ownership of the portion of the infrastructure financed by the Town of Bethel was transferred to the Commission at the time the treatment service began and the Commission is paying the Town of Bethel for the asset over a term of 20 years. At June 30, 2015, \$1,211,053 of the inter-local agreement remained outstanding. The inter-local agreement carries an effective interest rate of 5.53% and is payable in annual installments of \$151,382 with a final principal payment on May 1, 2023.

Annual debt service requirements to maturity for the Commission's Sewer Fund inter-local agreement are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 151,382	\$ 95,379	\$ 246,761
2017	151,382	91,687	243,069
2018	151,382	87,995	239,377
2019	151,382	84,303	235,685
2020	151,382	80,611	231,993
2021-2023	454,143	241,674	695,817
Total	<u>\$ 1,211,053</u>	<u>\$ 681,649</u>	<u>\$ 1,892,702</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

The Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Sewer Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2011 installment purchase contract with an original loan amount of \$180,653 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	\$37,505
Series 2013 installment purchase contract with an original loan amount of \$147,377 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	49,557
	<u>\$87,062</u>

Annual debt service requirements to maturity for the Commission's Sewer Fund installment purchase contract are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 87,062	\$ 1,182	\$ 88,244
Total	<u>\$ 87,062</u>	<u>\$ 1,182</u>	<u>\$ 88,244</u>

**Debt Serviced by Gas Fund:**

**Revenue Bonds**

The Commission issues revenue bonds to provide financing for extension, expansion, and improvement projects within the Gas Fund. The Commission has pledged future gas customer revenues and other unrestricted revenues including revenues of the Electric, Water, and Sewer Funds, net of specified operating expenses, to repay revenue bonds, of which \$6,174,276 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 18% of net revenues, or less than 4% of total revenues. The total principal and interest remaining to be paid on the bonds is \$7,094,107. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,224,643, \$6,630,966, and \$36,755,604, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

Revenue bonds outstanding at year end are as follows:

Description	Amount
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,244,103, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016.	\$534,632
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033.	737,755
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,237,204, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018.	704,592
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,234,480, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	2,316,011
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,123,849, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	622,051
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,487,041, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027.	1,259,235
	<u>\$6,174,276</u>

Annual debt service requirements to maturity for the Commission's Gas Fund revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,041,537	\$ 178,175	\$ 1,219,712
2017	1,077,473	141,270	1,218,743
2018	819,965	110,333	930,298
2019	628,602	86,942	715,544
2020	477,221	70,947	548,168
2021-2025	1,427,186	209,080	1,636,266
2026-2030	455,840	97,687	553,527
2031-2034	246,452	25,397	271,849
Total	<u>\$ 6,174,276</u>	<u>\$ 919,831</u>	<u>\$ 7,094,107</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Other Types of Debt (Commission)* – The Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Gas Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year-end are as follows:

Description	Amount
Series 2011 installment purchase contract with an original loan amount of \$180,474 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	\$37,468
Series 2013 installment purchase contract with an original loan amount of \$143,251 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	48,169
	<u>\$85,637</u>

Annual debt service requirements to maturity for the Commission's Gas Fund installment purchase contract are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 85,637	\$ 1,169	\$ 86,806
Total	<u>\$ 85,637</u>	<u>\$ 1,169</u>	<u>\$ 86,806</u>

**Rate Covenants (Commission)**

The Commission's debt issuances are authorized and secured by the Bond Order adopted on August 11, 1994, and amended and restated as of April 13, 2000. Section 501 of the Bond Order contains covenants as to rates, fees, and charges and requires the debt service coverage ratio to be no less than 125% for parity indebtedness (revenue bonds) and no less than 100% for other types of debt. The Commission has been in compliance with the covenants contained in Section 501 of the Bond Order since its adoption. The debt service coverage ratio calculation for the fiscal year ended June 30, 2015 is as follows:

Operating revenues	\$ 271,986,511
Operating expenses	<u>(233,792,956)</u>
Operating income	38,193,555
Nonoperating revenues (expenses)	
Miscellaneous revenues	909,981
Interest income	<u>311,225</u>
Income available for service	<u>39,414,761</u>
Parity debt service (principal and interest paid)	\$ 10,363,614
Parity debt service coverage ratio	380%
Subordinate and other debt service (principal and interest paid)	\$ 4,783,702
Subordinate and other debt service coverage ratio	607%

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

<sup>1</sup>In accordance with rate covenants operating expenses excludes depreciation expense of \$18,140,202; unfunded OPEB expense of \$595,314; and the change in pension expense of (\$1,614,282) promulgated by the implementation of GASB Statement No. 68 and GASB Statement No. 71.

<sup>2</sup>In accordance with rate covenants miscellaneous revenues and interest income excludes restricted revenues and revenues received in the capital projects funds.

**Arbitrage (City and Commission)**

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Commission must rebate to the Federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2015, the City and Commission had no arbitrage liabilities.

**Net Investment in Capital Assets**

Net investment in capital assets, at June 30, 2015 is computed as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets, net of accumulated depreciation	\$ 183,533,538	\$ 376,765,879
Less capital debt:		
Gross debt	37,013,456	104,753,349
Less:		
Unamortized bond refunding charges	(968,711)	(973,286)
Unexpended debt proceeds	(7,195,197)	(4,261,850)
Net capital debt	<u>28,849,548</u>	<u>99,518,213</u>
Capital assets, net of related debt	<u>\$ 154,683,990</u>	<u>\$ 277,247,666</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

**Interfund Balances and Activity**

**Due to/From Other Funds**

Balances due to/from other funds at June 30, 2015 consist of the following:

Receivable Fund	Payable Fund							Total
	General Fund	Nonmajor Governmental	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Internal Service Funds	
General Fund	\$ -	\$ 4,988,457	\$ 104,109	\$ 103,883	\$ 77,033	\$ 19,317	\$ 2,057,220	\$ 7,350,019
Electric Fund	129,648	-	-	-	-	-	-	129,648
Internal service funds	-	2,097	-	-	-	-	-	2,097
<b>Total</b>	<b>\$ 129,648</b>	<b>\$ 4,990,554</b>	<b>\$ 104,109</b>	<b>\$ 103,883</b>	<b>\$ 77,033</b>	<b>\$ 19,317</b>	<b>\$ 2,057,220</b>	<b>\$ 7,481,764</b>

Amounts due to/from the various funds of the government were primarily for the transfer of cash to fund operating shortfalls.

**Interfund Transfers**

Transfers to/from other funds at June 30, 2015 consist of the following:

Transfers In	Transfers Out						
	Major General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Electric	Gas	Internal Service Funds	Total
General Fund	\$ -	\$ 47,870	\$ 10,000	\$ 5,143,889	\$ 1,361,154	\$ -	\$ 6,562,913
Nonmajor governmental funds	9,151,815	165,200	-	-	-	-	9,317,015
Nonmajor enterprise funds	711,443	-	-	-	-	-	711,443
Internal service funds	1,545,434	-	-	-	-	-	1,545,434
Governmental Wide-governmental activities	-	-	-	-	-	926,867	926,867
<b>Total</b>	<b>\$11,408,692</b>	<b>\$ 213,070</b>	<b>\$ 10,000</b>	<b>\$ 5,143,889</b>	<b>\$ 1,361,154</b>	<b>\$ 926,867</b>	<b>\$19,063,672</b>

Transfers consisted primarily of transfers from the Electric Fund and Gas Fund to the General Fund for turnover and street lighting; transfers from the General Fund to nonmajor governmental funds to cover operating, debt service, and capital expenditures by those funds; transfers from the General Fund to the nonmajor enterprise funds and Internal Service Fund for operations; transfers from the nonmajor enterprise funds to nonmajor governmental funds for storm water repairs; and transfers from the nonmajor governmental funds and nonmajor enterprise funds to the General Fund and to cover capital expenditures. Other transfers into the General Fund from Capital Project funds were to close projects out for the year. The internal service fund transferred capital assets to the general government (capital assets – governmental activities). The computation of the transfers from the electric and gas funds to the general fund is consistent with the method specified in Chapter 861 of Senate Bill 1069, An Act to Amend and Restate the Charter of the Greenville Utilities Commission of the City of Greenville.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**Note 3—Detailed notes on all funds (continued)**

**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. To mitigate the financial impact of any losses, the City has established a program to manage its financial risks through a self-funded arrangement in combination with purchased insurance. Liability exposures and workers' compensation claims are addressed in the self-funded program. Excess insurance (specific stop-loss coverage) is purchased through third-party sources to cover catastrophic losses that exceed our self-insured retention funding. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in the past three fiscal years. Commercial coverage is carried by the City for property and liability coverage. The City's retention is on a per claim basis as follows:

<u>Coverages</u>	<u>Liability Coverage Limits</u>
Blanket property and person property	\$ 84,495,903
Crime	1,000,000
Excess liability (general, auto, public officials*, law enforcement, firefighters, errors and omission, employer's liability)	1,000,000 / 2,000,000
Umbrella	4,000,000 / 4,000,000
Workers' compensation	Statutory
Workers' compensation employers' liability	1,000,000
Public employees' blanket bond	1,000,000
Public officials' bonds - Director of Financial Services	250,000

Due to the City being in an area close to a river, it is susceptible to flood damage; therefore, the City carries flood insurance through American Bankers Company for six of its off-site locations. The City has coverage of \$2,215,000 on the properties.

The City and Commission expanded its risk management program to account for and finance its uninsured risk of a loss in health insurance. Under this program the City and Commission fund coverage up to a maximum of \$200,000 per person per year. The City purchases commercial insurance for amounts incurred in excess of the self-funded claims limits. The City and the Commission participate in this program and make payments to CIGNA Healthcare of North Carolina, Inc., the third-party administrator, based on the actuary estimates of the amounts needed to pay claims and to establish a reserve for catastrophic losses. Amounts withheld from employees and the City's operating funds are available to pay claims, claims reserve, and the administrative costs of the program.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

For the City (except for Commission), the claims liability of \$1,745,000 reported in accounts payable in the Health Insurance Internal Service Fund at June 30, 2015 is based upon the requirements of Government Accounting Standards Board Statement No. 10, which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicate it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in claims liability since inception are as follows:

	<b>2015</b>	<b>2014</b>
Unpaid claims, beginning	\$ 1,569,400	\$ 1,834,800
Incurred claims and administrative costs	12,112,245	12,650,588
Claim and administrative payments	<u>(11,936,645)</u>	<u>(12,915,988)</u>
Unpaid claims, ending	<u>\$ 1,745,000</u>	<u>\$ 1,569,400</u>

For the Commission, the medical claims liability of \$577,692 included in accounts payable and accrued expenses at June 30, 2015 is based upon the requirements of Government Accounting Standards Board Statement No. 10, which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicate it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the balances of medical claims liabilities during the fiscal years ended June 30, 2015 and 2014 are as follows:

	<b>2015</b>	<b>2014</b>
Unpaid claims, beginning	\$ 596,152	\$ 766,000
Incurred claims	5,218,561	4,479,634
Claim payments	<u>(5,237,021)</u>	<u>(4,649,482)</u>
Unpaid claims, ending	<u>\$ 577,692</u>	<u>\$ 596,152</u>

*Risk Management (Commission)* – The Commission is exposed to various risks of loss. The Commission carries commercial coverage for these risks of loss. Through this coverage, the Commission obtains general liability and auto liability coverage of \$1 million per occurrence with a general aggregate of \$3 million, property coverage up to \$227 million for real and personal property, workers' compensation coverage up to the statutory limits, and umbrella liability of \$10 million.

The Commission carries flood insurance on certain properties considered to be at risk for loss due to flooding. This coverage is underwritten by the National Flood Insurance Program.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 3—Detailed notes on all funds (continued)**

*Workers' Compensation, General Liability, and Auto Liability* – A limited risk management program to provide workers' compensation benefits to City employees is accounted for in the General Fund. The General Fund is reimbursed premium costs by other funds. The interfund premiums are based upon the claims experience of the insured funds and are used to reduce the amount of claims expenditure reported in the General Fund. An excess coverage insurance policy provides for individual claims in excess of \$600,000. The program is accounted for in the General Fund, and premium costs are reimbursed by other funds. The "commercial general liability" and the "auto liability protection" are part of the excess liability policy.

Total reserves are \$903,037.

	<b>2015</b>
Unpaid claims, beginning	\$ 1,726,042
Incurred claims and administrative costs	224,783
Claim and administrative payments	(1,047,788)
Unpaid claims, ending	<u>\$ 903,037</u>

All reserves and estimated claims reported, but not paid, are reported as part of the commitment for loss reserve within the General Fund.

*Fidelity Bonding of Finance Officer and Tax Collector* – 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 for the City of Greenville and the Tax Collector for Pitt County are bonded for \$250,000 each. For all other individuals who handle or have in their custody more than \$100 of the City's funds at any time, or who have access to inventories for the City, are bonded under a blanket bond of \$250,000 per incident.

The Commission's employees that have access to \$100 or more at any given time of the Commission's funds are bonded under a blanket bond for \$500,000. The Chief Financial Officer is individually bonded for \$50,000.

**Note 4—On-behalf payments for fringe benefits and salaries**

For the fiscal year ended June 30, 2015, the City of Greenville has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$20,765 for the 60 employed firemen who perform firefighting duties for the City's fire department. The employees elected to be members of the Firemen and Rescue Worker's Pension Fund, a cost-sharing, multiple-employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Also, the City has recognized as a revenue and an expenditure, on-behalf payments for fringe benefits and salaries of \$12,396 for the salary supplement and stipend benefits paid to eligible firemen by the local Board of Trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2015. Under State law the local Board of Trustees for the Fund receives an amount each year, which the Board may use at its own discretion for eligible firemen or their departments.

# CITY OF GREENVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

---

### Note 5—Jointly governed organizations

*Pitt-Greenville Convention and Visitors Authority* – The City Council appoints five members of the eleven-member Board of the Pitt-Greenville Convention and Visitors Authority (the “Authority”). The City’s accountability is to approve the annual budget along with Pitt County. The City does not contribute funds to the Authority. The Authority’s operating funds are derived from a hotel and motel occupancy tax levied by Pitt County. The City has no other fiscal responsibility for the Authority.

*North Carolina Eastern Municipal Power Agency* – The City, in conjunction with 32 other local governments, is a member of the North Carolina Eastern Municipal Power Agency (the “Agency”). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation, and transmission facilities. Each participating government appoints one commissioner to the Agency’s governing Board. The 32 members who receive power from the Agency have signed power sales agreements to purchase a specified share of the power generated by the Agency. The Greenville Commission has the right to 16.13% of the combined generating capacity of the agency and is obligated to pay its relative share of the agency’s debt. This contract constitutes an obligation of our Enterprise Fund, the Commission, to make debt service payments from operating revenues. It is not included as an obligation, but is included as a component of its power supply expenses. The Commission’s share of the Agencies debt at June 30, 2015 was approximately \$277.8 million.

### Note 6—Joint ventures

*Convention Center* – The City is a participant with Pitt County in a joint venture to purchase and develop property to be used as a convention center. Upon dissolution, the assets would be shared in proportion to each sponsor’s original contribution. The City’s initial contribution totaled \$1,200,000 which represents three-fifths of the total contribution. In April 2003, the City issued \$6.8 million of Special Obligation Revenue Bonds for the construction of the Convention Center. The balance of \$4,292,944 of the bonds was refunded during fiscal year 2012 to a lower interest rate. During the the current year \$4,200,000 was issued for another round of expansion at the Convention Center. This debt will be repaid through the collection of hotel and motel occupancy tax. Other than the repayment of the debt, the City has no responsibility for the operations of the Center. The Convention Center opened in May 2003 and is operated by an independent management firm. Pitt County, not the City, is responsible for the operating and maintenance costs of the Center.

*Pitt-Greenville Airport Authority* – The City is a participant with Pitt County (the “County”) and other participants in a joint venture to operate Pitt-Greenville Airport Authority (the “Authority”) for the joint benefit of all participants. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor’s original contribution. The City’s initial contribution totaled \$3,250 which represents one-half of the total contribution. The Authority is governed by an eight-member Board; four from the City and four from the County. All participants are obligated to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The City contributed \$37,844 to the Authority during the fiscal year ended June 30, 2015. The City has a 50% equity interest in the joint venture; therefore, an equity interest of \$21,242,806 has been reflected in the government-wide financial statements at June 30, 2015. Complete financial statements for the Authority can be obtained from the Authority’s Administrative Office at Airport Road, P.O. Box 671, Greenville, North Carolina, 27835.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

**Note 7—Related organizations**

*Greenville Housing Authority* – The Mayor appoints the seven-member Board of the Greenville Housing Authority. The City's accountability does not extend beyond making these appointments.

**Note 8—Claims and judgments**

At June 30, 2015, the City, including the Commission, was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

**Note 9—Federal and State assisted programs**

The City has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**Note 10—Prior period adjustment**

The City implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the City to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$5,003,005 and \$3,948,631, respectively.

Having become aware that there is diversity of accounting principles generally accepted for the accounting treatment and reporting of long-term loans receivable in governmental funds, the City has adopted new accounting principles. The City now uses expenditure and revenue contra accounts to eliminate the effect of expenditures, and revenues reported for budgetary purposes in conjunction with the issuance of long-term loans receivable in governmental funds and expends loans which are not expected to be collected. Deferred inflows reported under the City's previous accounting principles have been reclassified to an appropriate component of fund balance or expended, as appropriate. The City's previous accounting principles included elimination of the deferred inflows related to loans receivable when converting the governmental funds to full accrual for reporting in the Statement of Net Position. Therefore, no adjustments to beginning net position of the governmental activities for the effect of deferred inflows in the governmental funds is required.

The effects of these changes in accounting principles on fund balance and net position are presented below:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Beginning fund balance, as previously reported	\$ 31,412,547	\$ 12,698,916	44,111,463
Adjustments:			
Restatement of deferred inflows to fund balance	1,528	739,371	740,899
Beginning fund balance, as restated	<u>\$ 31,414,075</u>	<u>\$ 13,438,287</u>	<u>\$ 44,852,362</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2015*

---

**Note 11—Natural Gas contracts (Commission)**

On November 1, 2005, the Commission entered into an agreement with Piedmont Natural Gas (“PNG”) that allows the Commission to purchase all its natural gas requirements on the open market. The terms of the contract require PNG to transport natural gas through its pipeline to the Commission in exchange for annual payments of \$2,987,328. The contract was renewed effective January 5, 2010 for a period of 10 years with a Maximum Daily Quantity (“MDQ”) of 20,000 dekatherms and an annual payment of \$3,698,544. The Commission may be allowed to exceed its MDQ to accommodate interruptible demand as capacity is available, and the Commission has the option to purchase firm peaking services during times when demand for natural gas is high.

The Commission entered into a Supplemental Service and Construction Agreement with PNG effective November 1, 2014 for a period of 5 years. Under the terms of the contract the Commission will pay additional demand charges to cover the costs of upgrades to the Commission’s system completed by PNG. The initial amount of the contractual payment was \$470,000 per year. Effective June 2015 the amount was increased to \$593,093 per year to reflect the actual costs of the upgrades. These additional demand charges are payable through October 2019.

The Commission entered a 15-year agreement with Patriots Energy Group (“PEG”), effective February 1, 2007 to purchase 20% of the Commission’s firm volumes (2,000 dekatherms per day during the winter period, November through March). The Commission receives a price discount projected to be between \$0.42 and \$0.47 per dekatherm and pays a fee of \$0.015 per dekatherm to PEG to cover the administrative costs of the agreement.

**Note 12—Significant effects of subsequent events**

On July 31, 2015, the North Carolina Eastern Municipal Power Agency (“NCEMPA”) completed the sale of its electric generating assets to Duke Energy Progress for approximately \$1.25 billion. The proceeds from the sale were used to reduce outstanding debt on those assets. The Commission’s share of NCEMPA’s outstanding debt was reduced from approximately \$227.8 million to \$85 million. Additionally, Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to NCEMPA. The reduced debt service costs and the lower costs of wholesale power allowed the Commission to reduce electric retail rates by 7% effective August 1, 2015.

Management has evaluated subsequent events through November 9, 2015, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.



# REQUIRED SUPPLEMENTAL STATEMENTS

## FY 2015 Comprehensive Annual Financial Report

**CITY OF GREENVILLE, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule A-1

YEAR ENDED JUNE 30, 2015

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/ b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
12/31/2014	\$ -	\$ 5,093,933	\$ 5,093,933	0.00%	\$ 10,189,266	49.99%
12/31/2013	-	5,105,153	5,105,153	0.00%	10,225,560	49.93%
12/31/2012	-	4,945,095	4,945,095	0.00%	10,000,760	49.45%
12/31/2011	-	4,637,204	4,637,204	0.00%	10,091,048	45.95%
12/31/2010	-	4,451,753	4,451,753	0.00%	10,542,874	42.23%
12/31/2009	-	4,960,374	4,960,374	0.00%	10,274,344	48.28%
12/31/2008	-	3,766,789	3,766,789	0.00%	9,205,403	40.92%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
2015	\$ 650,532	54.21%
2014	541,383	59.51%
2013	511,717	63.14%
2012	491,169	57.62%
2011	521,156	59.13%
2010	396,315	75.95%
2009	357,105	85.00%

**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	12/31/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar closed	
Remaining amortization period	16 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5.00%	* Includes inflation at 3.00%
Projected salary increases *	4.25% - 7.85%	
Cost of living adjustments	N/A	

**CITY OF GREENVILLE, NORTH CAROLINA**  
**OTHER POST-EMPLOYMENT BENEFITS – CITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule A-2

YEAR ENDED JUNE 30, 2015

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
12/31/2013	\$ 2,257,955	\$ 35,843,760	\$ 33,585,805	6.30%	\$ 36,818,894	91.2%
12/31/2011	1,137,911	32,964,864	31,826,953	3.50%	37,453,447	85.0%
12/31/2009	542,117	39,371,279	38,829,162	1.40%	37,779,784	102.8%
12/31/2008	250,000	43,474,907	43,224,907	0.60%	35,295,193	122.5%
12/31/2007	-	48,322,035	48,322,035	0.00%	32,836,798	147.2%
12/31/2005	-	47,415,875	47,415,875	0.00%	29,022,160	163.4%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2015	\$ 3,074,540	44.93%
2014	3,093,128	62.91%
2013	3,449,243	33.73%
2012	3,449,243	58.41%
2011	3,324,572	31.52%
2010	3,921,273	16.54%
2009	3,712,651	16.08%

**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	12/31/2013	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	28 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.00%	* Includes inflation at 3.00%
Medical cost trend rate	7.75% - 5.00%	
Year of ultimate trend rate	2019	

**CITY OF GREENVILLE, NORTH CAROLINA**  
**OTHER POST-EMPLOYMENT BENEFITS – GREENVILLE UTILITIES COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule A-3

YEAR ENDED JUNE 30, 2015

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)		Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/ b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
		Projected Unit Credit (b)					
12/31/2014	\$ 1,854,800	\$ 25,073,947	\$ 23,219,147	7.4%	\$ 24,675,093	94.1%	
12/31/2013	1,350,501	21,018,546	19,668,045	6.4%	22,816,616	86.2%	
12/31/2012	815,597	21,180,825	20,365,228	3.9%	23,730,460	85.8%	
12/31/2011	446,178	20,924,265	20,478,087	2.1%	24,081,113	85.0%	
12/31/2009	-	30,330,748	30,330,748	0.0%	23,104,504	131.3%	
12/31/2008	-	31,995,113	31,995,113	0.0%	22,345,440	143.2%	
12/31/2005	-	35,860,373	35,860,373	0.0%	19,489,354	184.0%	

**Schedule of Employer Contributions**

Year Ending June 30	Annual Required Contribution	Percentage Contributed
2015	\$ 1,751,427	74.1%
2014	1,779,995	57.9%
2013	1,769,981	56.5%
2012	2,395,223	47.6%
2011	2,308,649	57.3%
2010	2,512,284	28.4%
2009	2,512,284	17.4%
2008	3,229,052	12.7%

**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	12/31/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, closed	
Remaining amortization period	27 years	
Amortization factor	17.1876	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	7.00%	* Includes inflation at 3.00%
Medical trend assumptions:		
Pre-Medicare trend rate	7.50% - 5.00%	
Post-Medicare trend rate	5.50% - 5.00%	
Year of ultimate trend rate	2020	

**CITY OF GREENVILLE, NORTH CAROLINA****SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) –  
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM – CITY  
REQUIRED SUPPLEMENTARY INFORMATION***FOR TWO FISCAL YEARS\**

	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset) (%)	0.73849%	0.75020%
City's proportion of the net pension liability (asset) (\$)	\$ (4,355,215)	\$ 9,042,791
City's covered-employee payroll	\$ 37,985,393	\$ 34,252,534
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.47%	26.40%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. Information is not available for years prior to 2014.

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF CONTRIBUTIONS –**  
**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM – CITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule A-5**

*FOR TWO FISCAL YEARS\**

---

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,684,845	\$ 2,660,675
Contributions in relation to the contractually required contribution	<u>2,684,845</u>	<u>2,660,675</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 37,825,656	\$ 37,985,393
Contributions as a percentage of covered-employee payroll	7.10%	7.00%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.  
Information is not available for years prior to 2014.

**CITY OF GREENVILLE, NORTH CAROLINA**

Schedule A-6

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) –  
 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM –  
 GREENVILLE UTILITIES COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION**

*FOR TWO FISCAL YEARS\**

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.42068%	0.42030%
Proportion of the net pension liability (asset) (\$)	\$ (2,480,943)	\$ 5,066,229
Covered-employee payroll	\$ 24,998,713	\$ 24,741,607
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-9.92%	20.48%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.  
 Information is not available for years prior to 2014.

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF CONTRIBUTIONS –**  
**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM –**  
**GREENVILLE UTILITIES COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule A-7**

*FOR TWO FISCAL YEARS\**

---

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,789,817	\$ 1,755,810
Contributions in relation to the contractually required contribution	<u>1,789,817</u>	<u>1,755,810</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Utility Commission's covered-employee payroll	\$ 25,472,704	\$ 24,998,713
Contributions as a percentage of covered-employee payroll	7.03%	7.02%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. Information is not available for years prior to 2014.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**OTHER SUPPLEMENTARY INFORMATION**

Schedule A-8

JUNE 30, 2015

<b>Fiscal Year</b>	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Balance June 30, 2015</b>
2015-2014	\$ -	\$ 32,647,441	\$ 32,413,472	\$ 233,969
2014-2013	452,130	-	308,553	143,577
2013-2012	260,584	-	119,932	140,652
2012-2011	145,422	-	51,422	94,000
2011-2010	113,289	-	23,035	90,254
2010-2009	94,752	-	12,788	81,964
2009-2008	108,846	-	8,083	100,763
2008-2007	75,943	-	7,333	68,610
2007-2006	87,042	-	6,692	80,350
2006-2005	68,073	-	4,265	63,808
2005-2004	66,732	-	66,732	-
	<u>\$ 1,472,813</u>	<u>\$ 32,647,441</u>	<u>\$ 33,022,307</u>	<u>1,097,947</u>
Less: Allowance for uncollectible accounts - General Fund				<u>914,740</u>
Ad Valorem Taxes Receivable Net - General Fund				<u>\$ 183,207</u>
<b>Reconciliation with Revenues:</b>				
Ad Valorem Taxes - General Fund				\$ 32,956,190
Reconciling Items:				
Amount written off per statute				(66,732)
Interest collected				(220,768)
Miscellaneous				353,617
Total collections and credits				<u>\$ 33,022,307</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY – CITY-WIDE LEVY**  
**OTHER SUPPLEMENTARY INFORMATION**

**Schedule A-9**

YEAR ENDED JUNE 30, 2015

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 6,121,053,333	0.54	\$ 33,053,688	\$ 29,102,541	\$ 3,951,147
Penalties	-		17,826	17,826	-
Total	<u>6,121,053,333</u>		<u>33,071,514</u>	<u>29,120,367</u>	<u>3,951,147</u>
<b>Discoveries:</b>					
Current year taxes	2,387,222	0.54	12,891	12,891	-
Penalties	-		929	929	-
Total	<u>2,387,222</u>		<u>13,820</u>	<u>13,820</u>	<u>-</u>
Abatements	<u>(81,091,296)</u>		<u>(437,893)</u>	<u>(437,893)</u>	<u>-</u>
Total property valuation	<u>\$ 6,042,349,259</u>				
Net levy			32,647,441	28,696,294	3,951,147
Uncollected taxes as of June 30, 2015			<u>(233,969)</u>	<u>(233,902)</u>	<u>(67)</u>
Current year's taxes collected			<u>\$ 32,413,472</u>	<u>\$ 28,462,392</u>	<u>\$ 3,951,080</u>
Current levy collection percentage			99.28%	99.18%	100.00%
Prior year collection percentage			98.57%	99.02%	95.92%



# GOVERNMENTAL FUND FINANCIAL STATEMENTS

## FY 2015 Comprehensive Annual Financial Report



## General Fund

The General Fund accounts for the revenues and expenditures in operating the general government functions of a nonproprietary nature. This fund receives ad valorem tax revenues, state shared revenues, licenses, permits and fees. The major operating activities include general government, police, fire, public works, parks and recreation, as well as other governmental service functions.

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Ad Valorem Taxes:				
Taxes		\$ 33,201,505		\$ 32,506,000
Interest and penalties		220,768		229,021
Tax discounts		(316,067)		(365,886)
Tax refunds		(150,016)		(113,438)
Total ad valorem taxes	\$ 34,099,005	32,956,190	\$ (1,142,815)	32,255,697
Other Taxes:				
Local options sales tax		6,341,177		5,590,877
Cable TV franchise tax		908,091		903,072
One-half percent sales tax		6,862,985		6,139,987
Medicaid Hold Harmless payment		3,384,544		3,074,050
Rental vehicle - gross receipts		127,304		119,582
Total other taxes	16,264,519	17,624,101	1,359,582	15,827,568
Unrestricted Intergovernmental:				
Other unrestricted revenues		51,075		56,620
Utilities franchise tax		6,282,750		5,413,757
Beer and wine tax		416,085		376,811
Total unrestricted intergovernmental	6,146,233	6,749,910	603,677	5,847,188
Restricted Intergovernmental:				
NC DOT traffic control lights		290,776		183,737
Housing Authority Drug Grant		40,059		117,076
Special Federal, State, and Local Grants		13,241		72,465
Section 104F Planning Grant		160,358		389,216
Law Enforcement Block Grant		2,743		2,825
Other restricted intergovernmental revenue		242,766		198,475
File and Rescue SAFER Grant		-		-
Powell Bill – State allocation payment		2,235,741		2,265,848
Total restricted intergovernmental	4,103,540	2,985,684	(1,117,856)	3,229,642
Licenses, Permits, and Fees:				
Privilege licenses		724,810		488,325
Inspection fees		1,099,748		769,488
State fire protection		380,431		393,938
Planning department fees		102,943		96,606
Police department fees		1,243,985		299,768
Fire and rescue department fees		201,220		169,824
Other permits and fees		64,539		70,590
Total licenses, permits, and fees	2,858,522	3,817,676	959,154	2,288,539

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Sales and Services:</b>				
Rescue fees		\$ 3,527,942		\$ 3,099,049
Recreation department programs and fees		1,111,937		1,106,914
Utilities street cuts		293,129		180,267
Rents and concessions		277,343		216,188
Other sales and services		555,743		550,582
Total sales and services	\$ 5,201,415	5,766,094	\$ 564,679	5,153,000
Investment earnings	551,010	363,857	(187,153)	457,877
<b>Other Revenues:</b>				
Parking violation penalty		188,324		187,362
Other revenues		392,919		1,197,621
Total other revenues	1,223,071	581,243	(641,828)	1,384,983
Total Revenues	70,447,315	70,844,755	397,440	66,444,494
<b>Expenditures:</b>				
<b>General Government:</b>				
Mayor and City Council		363,076		372,245
City Manager		1,060,062		1,103,392
City Clerk		261,408		234,498
City Attorney		456,107		431,871
Human Resources		2,412,518		2,412,600
Financial Services		2,454,669		2,207,037
Information Technology		2,909,254		2,643,615
Total general government	11,360,715	9,917,094	1,443,621	9,405,258
<b>Public Safety:</b>				
Fire and rescue		12,839,310		12,763,569
Police		22,575,236		22,878,563
Total public safety	37,799,182	35,414,546	2,384,636	35,642,132
<b>Public Works:</b>				
Other public works		6,819,702		6,971,958
Streets		1,104,523		1,130,479
Total public works	9,085,033	7,924,225	1,160,808	8,102,437
<b>Economic and Physical Development:</b>				
Community development	2,685,967	2,466,066	219,901	2,234,844
Total economic and physical development	2,685,967	2,466,066	219,901	2,234,844

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
Cultural and Recreational:				
Recreation	\$ 7,739,618	\$ 7,400,170	\$ 339,448	\$ 7,429,094
Total cultural and recreational	7,739,618	7,400,170	339,448	7,429,094
Capital outlay	5,015,139	2,596,181	2,418,958	3,590,692
Reimbursement of indirect cost	(1,268,214)	(1,284,768)	16,554	(1,111,218)
Contribution to OPEB trust	400,000	400,000	-	350,000
Total expenditures	72,817,440	64,833,514	7,983,926	65,643,239
Revenues over (under) expenditures	(2,370,125)	6,011,241	8,381,366	801,255
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds:				
Greenville Utilities Commission turnover	5,754,275	5,747,834	(6,441)	5,359,687
Greenville Utilities Commission, lighting reimbursement	730,908	757,210	26,302	720,593
Other funds	123,166	57,871	(65,295)	1,920,834
Transfers to other funds	(11,650,665)	(11,408,692)	241,973	(8,457,031)
Contingency	2,807	-	(2,807)	-
Appropriated fund balance	7,409,634	-	(7,409,634)	-
Total other financing sources (uses)	2,370,125	(4,845,777)	(7,215,902)	(455,917)
Net change in fund balance	\$ -	1,165,464	\$ 1,165,464	345,338
<b>Fund Balance:</b>				
Fund balance, beginning of year – July 1		31,412,547		31,067,209
Restatement		1,528		-
Fund balance, end of year – June 30		\$ 32,579,539		\$ 31,412,547



# NON-MAJOR GOVERNMENTAL FUNDS

## FY 2015 Comprehensive Annual Financial Report

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**Schedule B-1**

JUNE 30, 2015

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 784,597	\$ 49,781	\$ 6,403,537	\$ 7,237,915
Accounts receivable, net	894,762	-	417,473	1,312,235
Interest receivable	925	-	-	925
Due from other governments	-	-	-	-
Prepaid items and deposits	89,918	-	-	89,918
Restricted cash and investments	501,032	342,917	6,852,085	7,696,034
<b>Total assets</b>	<b>\$ 2,271,234</b>	<b>\$ 392,698</b>	<b>\$ 13,673,095</b>	<b>\$ 16,337,027</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 75,684	\$ -	\$ 138,115	\$ 213,799
Advances from grantors	167,842	-	270,782	438,624
Due to other funds	352,480	-	4,638,074	4,990,554
<b>Total liabilities</b>	<b>596,006</b>	<b>-</b>	<b>5,046,971</b>	<b>5,642,977</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid items	89,918	-	-	89,918
Loans receivable	488,103	-	342,445	830,548
<b>Restricted:</b>				
Stabilization by State statute	485,759	-	75,028	560,787
Restricted for economic development	399,085	-	6,852,085	7,251,170
Restricted for cultural and recreational	101,947	-	-	101,947
Restricted for debt service	-	342,917	-	342,917
<b>Committed:</b>				
Committed for general government	-	-	1,476,184	1,476,184
Committed for cultural and recreational	-	-	372,217	372,217
Committed for public safety	-	-	81,760	81,760
Committed for economic development	-	-	3,364,854	3,364,854
Committed for capital outlays	-	-	699,625	699,625
Committed for debt service	-	49,781	-	49,781
<b>Assigned:</b>				
Assigned for subsequent year's expenditures	24,707	-	-	24,707
Assigned for cultural and recreational	544,771	-	-	544,771
Unassigned	(459,062)	-	(4,638,074)	(5,097,136)
<b>Total fund balances</b>	<b>1,675,228</b>	<b>392,698</b>	<b>8,626,124</b>	<b>10,694,050</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,271,234</b>	<b>\$ 392,698</b>	<b>\$ 13,673,095</b>	<b>\$ 16,337,027</b>

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule B-2

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
<b>Revenues:</b>				
Other taxes	\$ -	\$ 636,088	\$ 283,081	\$ 919,169
Restricted intergovernmental	2,530,025	-	203,818	2,733,843
Investment earnings	2,698	329	3,477	6,504
Other revenues	148,492	-	131,720	280,212
Total revenues	<u>2,681,215</u>	<u>636,417</u>	<u>622,096</u>	<u>3,939,728</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	587,055	587,055
Cultural and recreational	2,261,230	-	449,132	2,710,362
Public safety	-	-	106,145	106,145
Economic and physical development	1,885,816	-	9,898,536	11,784,352
Principal retirement	-	3,766,065	-	3,766,065
Interest and fees	-	1,033,931	-	1,033,931
Total expenditures	<u>4,147,046</u>	<u>4,799,996</u>	<u>11,040,868</u>	<u>19,987,910</u>
Revenues over (under) expenditures	<u>(1,465,831)</u>	<u>(4,163,579)</u>	<u>(10,418,772)</u>	<u>(16,048,182)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	-	-	4,200,000	4,200,000
Transfers from other funds	1,640,692	4,113,477	3,562,846	9,317,015
Transfers to other funds	-	-	(213,070)	(213,070)
Total other financing sources (uses)	<u>1,640,692</u>	<u>4,113,477</u>	<u>7,549,776</u>	<u>13,303,945</u>
Net change in fund balances	174,861	(50,102)	(2,868,996)	(2,744,237)
<b>Fund Balances:</b>				
Fund balances, beginning of year – July 1, as previously reported	1,105,822	442,800	11,150,294	12,698,916
Restatement	<u>394,545</u>	<u>-</u>	<u>344,826</u>	<u>739,371</u>
Fund balances, end of year – June 30	<u>\$ 1,675,228</u>	<u>\$ 392,698</u>	<u>\$ 8,626,124</u>	<u>\$ 10,694,050</u>

## Non-Major Special Revenue Funds

**Community Development Fund** - established to account for United States Department of Housing and Urban Development (HUD) block grant and home program grant proceeds allocated to the City for community development programs.

**Sheppard Memorial Library** - established to account for funds to provide the residents of the City of Greenville and Pitt County with a free public library.

**Housing Trust Fund** - established to account for Department of Housing and Urban Development (HUD) grant proceeds allocated to the City for distribution as home buyer assistance loans to first time home purchasers.

**Energy Efficiency Recovery Grant** - established to account for Department of Energy grant proceeds allocated to the City to reduce the City's carbon footprint through energy efficiency and conservation.

**Centralized Grant** - established to account for Department of Crime Control and Public Safety grant proceeds allocated to the City for costs associated with neighborhood policing initiatives as well as other grants which may be awarded to the City.

**Hurricane Irene FEMA Grant** - established to account for the FEMA grant proceeds allocated to the City for costs associated with the clean-up and recovery efforts in response to Hurricane Irene.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**

**Schedule C-1**

JUNE 30, 2015

	<b>Community Development Fund</b>	<b>Sheppard Memorial Library</b>	<b>Housing Trust Fund</b>	<b>Energy Efficiency Recovery Grant</b>	<b>Centralized Grant</b>	<b>Hurricane Irene FEMA Grant</b>	<b>Total</b>
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ 706,422	\$ -	\$ 78,175	\$ -	\$ -	\$ 784,597
Accounts receivable, net	707,870	150,704	8,578	13,832	13,778	-	894,762
Interest receivable	-	925	-	-	-	-	925
Prepaid items	-	89,918	-	-	-	-	89,918
Restricted cash and investments	119,665	101,947	41,961	-	237,459	-	501,032
Total assets	<u>\$ 827,535</u>	<u>\$ 1,049,916</u>	<u>\$ 50,539</u>	<u>\$ 92,007</u>	<u>\$ 251,237</u>	<u>\$ -</u>	<u>\$ 2,271,234</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 38,812	\$ 36,872	\$ -	\$ -	\$ -	\$ -	\$ 75,684
Advances from grantors	-	-	-	-	167,842	-	167,842
Due to other funds	252,408	100,072	-	-	-	-	352,480
Total liabilities	<u>291,220</u>	<u>136,944</u>	<u>-</u>	<u>-</u>	<u>167,842</u>	<u>-</u>	<u>596,006</u>
<b>Fund Balances:</b>							
Nonspendable:							
Prepaid items	-	89,918	-	-	-	-	89,918
Loans receivable	387,634	-	8,462	92,007	-	-	488,103
Restricted:							
Stabilization by State statute	320,236	151,629	116	-	13,778	-	485,759
Restricted for public safety	-	-	-	-	-	-	-
Restricted for economic and physical development	119,665	-	41,961	-	237,459	-	399,085
Restricted for cultural and recreational	-	101,947	-	-	-	-	101,947
Assigned:							
Assigned for subsequent year's expenditures	-	24,707	-	-	-	-	24,707
Assigned for cultural and recreational	-	544,771	-	-	-	-	544,771
Unassigned	(291,220)	-	-	-	(167,842)	-	(459,062)
Total fund balances	<u>536,315</u>	<u>912,972</u>	<u>50,539</u>	<u>92,007</u>	<u>83,395</u>	<u>-</u>	<u>1,675,228</u>
Total liabilities and fund balances	<u>\$ 827,535</u>	<u>\$ 1,049,916</u>	<u>\$ 50,539</u>	<u>\$ 92,007</u>	<u>\$ 251,237</u>	<u>\$ -</u>	<u>\$ 2,271,234</u>

## NONMAJOR SPECIAL REVENUE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Community Development Fund	Sheppard Memorial Library	Housing Trust Fund	Energy Efficiency Recovery Grant	Centralized Grant	Hurricane Irene FEMA Grant	Total
<b>Revenues:</b>							
Restricted intergovernmental	\$ 1,453,344	\$ 1,018,759	\$ -	\$ -	\$ 57,922	\$ -	\$ 2,530,025
Investment earnings	-	2,698	-	-	-	-	2,698
Other revenues	(31,833)	180,325	-	-	-	-	148,492
Total revenues	<u>1,421,511</u>	<u>1,201,782</u>	<u>-</u>	<u>-</u>	<u>57,922</u>	<u>-</u>	<u>2,681,215</u>
<b>Expenditures:</b>							
Current:							
Cultural and recreational	-	2,261,230	-	-	-	-	2,261,230
Economic and physical development	1,675,851	-	2,274	57,332	150,359	-	1,885,816
Total expenditures	<u>1,675,851</u>	<u>2,261,230</u>	<u>2,274</u>	<u>57,332</u>	<u>150,359</u>	<u>-</u>	<u>4,147,046</u>
Revenues over (under) expenditures	<u>(254,340)</u>	<u>(1,059,448)</u>	<u>(2,274)</u>	<u>(57,332)</u>	<u>(92,437)</u>	<u>-</u>	<u>(1,465,831)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers from other funds	211,327	1,248,774	-	-	-	180,591	1,640,692
Total other financing sources (uses)	<u>211,327</u>	<u>1,248,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,591</u>	<u>1,640,692</u>
Net change in fund balances	(43,013)	189,326	(2,274)	(57,332)	(92,437)	180,591	174,861
<b>Fund Balances:</b>							
Fund balance, beginning of year – July 1, as previously reported	207,555	723,646	43,873	135,507	175,832	(180,591)	1,105,822
Restatement	<u>371,773</u>	<u>-</u>	<u>8,940</u>	<u>13,832</u>	<u>-</u>	<u>-</u>	<u>394,545</u>
Fund balance, end of year – June 30	<u>\$ 536,315</u>	<u>\$ 912,972</u>	<u>\$ 50,539</u>	<u>\$ 92,007</u>	<u>\$ 83,395</u>	<u>\$ -</u>	<u>\$ 1,675,228</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**COMMUNITY DEVELOPMENT AND HOME FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

**Schedule C-3**

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
<b>Revenues:</b>				
CDBG & Home Entitlement Program:				
Property owners matching fund	\$ 126,083	\$ 42,571	\$ (1)	\$ 42,570
Federal grant, HUD	27,758,770	10,060,395	1,453,345	11,513,740
Consortium members	-	13,666	-	13,666
Loan payments	570,454	270,007	-	270,007
Interest income	153,215	25	-	25
Sale of acquired property	227,930	433,391	(31,833)	401,558
Total revenues	<u>28,836,452</u>	<u>10,820,055</u>	<u>1,421,511</u>	<u>12,241,566</u>
<b>Expenditures:</b>				
CDBG and Home Entitlement Program:				
Administration	6,523,631	2,210,335	412,279	2,622,614
Rehabilitation – third-party owned dwellings	10,505,003	4,182,640	616,408	4,799,048
Rehabilitation – rental	62,875	62,875	-	62,875
Outside agency funding	2,026,833	352,590	313,097	665,687
Acquisition dilapidated	1,282,822	324,996	75,613	400,609
Code enforcement	310,815	178,110	-	178,110
Conversion program	253,000	-	-	-
Small area revitalization	787,830	5,000	-	5,000
Demolition grants	344,259	17,970	85,473	103,443
Secondary mortgage	1,407,970	475,620	17,440	493,060
Economic Development Study, West Grn./Meadowbrook	626,255	223,549	15,000	238,549
Neighborhood input grants	2,964	-	-	-
Concentrated needs	1,772,299	-	-	-
Sewer Oakgrove	25,482	-	-	-
Other expenses	58,010	58,010	-	58,010
Relocation	116,920	46,481	-	46,481
Contribution to other consortium members	4,797,737	3,543,667	140,541	3,684,208
Capital outlay	12,403	11,834	-	11,834
Total expenditures	<u>30,917,108</u>	<u>11,693,677</u>	<u>1,675,851</u>	<u>13,369,528</u>
Revenues over (under) expenditures	<u>(2,080,656)</u>	<u>(873,622)</u>	<u>(254,340)</u>	<u>(1,127,962)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out):				
Transfers from other funds	3,407,545	1,837,374	211,327	2,048,701
Transfers to other funds	(1,326,889)	(756,197)	-	(756,197)
Total other financing sources (uses)	<u>2,080,656</u>	<u>1,081,177</u>	<u>211,327</u>	<u>1,292,504</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 207,555</u>	<u>(43,013)</u>	<u>164,542</u>
<b>Fund Balance:</b>				
Beginning of year – July 1, as previously reported			207,555	-
Restatement			<u>371,773</u>	<u>371,773</u>
End of year – June 30			<u>\$ 536,315</u>	<u>\$ 536,315</u>

## SHEPPARD MEMORIAL LIBRARY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive/ Negative
<b>Revenues:</b>			
Pitt County - operating	\$ 553,693	\$ 553,693	\$ -
Pitt County - capital	31,666	31,666	-
Town of Winterville	161,620	161,620	-
Town of Bethel	30,015	30,015	-
Pitt County for Town of Bethel and Winterville	6,000	6,000	-
State aid	185,765	185,765	-
LSTA Grant	50,000	50,000	-
Fees	125,000	128,738	3,738
Interest earnings	1,500	2,698	1,198
Housing authority	10,692	10,692	-
Miscellaneous	41,000	40,895	(105)
Total revenues	<u>1,196,951</u>	<u>1,201,782</u>	<u>4,831</u>
<b>Expenditures:</b>			
Current:			
Cultural and recreational:			
Salaries and benefits	1,450,808	1,370,327	80,481
LSTA grant	50,000	50,000	-
Greenville Housing Authority	10,692	10,468	224
Other operating expenditures	387,940	365,451	22,489
Maintenance and repairs	226,113	209,824	16,289
Capital outlay	320,172	255,160	65,012
Total expenditures	<u>2,445,725</u>	<u>2,261,230</u>	<u>184,495</u>
Revenues over (under) expenditures	<u>(1,248,774)</u>	<u>(1,059,448)</u>	<u>189,326</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in - general fund	1,140,440	1,140,440	-
Transfer in - general fund - capital funding	108,334	108,334	-
Total other financing sources (uses)	<u>1,248,774</u>	<u>1,248,774</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>189,326</u>	<u>\$ 189,326</u>
<b>Fund Balances:</b>			
Beginning of year – July 1		<u>723,646</u>	
End of year – June 30		<u>\$ 912,972</u>	

## HOUSING TRUST FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Grants	\$ 178,500	\$ 178,576	\$ -	\$ 178,576
Investment earnings	12,472	12,473	-	12,473
Loan payments	<u>31,003</u>	<u>27,383</u>	-	<u>27,383</u>
Total revenues	<u>221,975</u>	<u>218,432</u>	<u>-</u>	<u>218,432</u>
<b>Expenditures:</b>				
Small area revitalization	19,332	19,978	1	19,979
Rehabilitation	221,113	215,374	-	215,374
Loans made	<u>102,530</u>	<u>60,207</u>	<u>2,273</u>	<u>62,480</u>
Total expenditures	<u>342,975</u>	<u>295,559</u>	<u>2,274</u>	<u>297,833</u>
Revenues over (under) expenditures	(121,000)	(77,127)	(2,274)	(79,401)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 43,873</u>	(2,274)	41,599
<b>Fund Balance:</b>				
Beginning of year – July 1, as previously reported			43,873	-
Restatement			<u>8,940</u>	<u>8,940</u>
End of year – June 30			<u>\$ 50,539</u>	<u>\$ 50,539</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**Schedule C-6**

**ENERGY EFFICIENCY RECOVERY GRANT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

*FROM INCEPTION AND YEAR ENDED JUNE 30, 2015*

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Energy efficiency recovery grant	\$ 777,600	\$ 492,972	\$ -	\$ 492,972
Investment income	-	19	-	19
Total revenues	<u>777,600</u>	<u>492,991</u>	<u>-</u>	<u>492,991</u>
<b>Expenditures:</b>				
Administration	25,000	1,775	(1)	1,774
Operations	<u>752,600</u>	<u>355,709</u>	<u>57,333</u>	<u>413,042</u>
Total expenditures	<u>777,600</u>	<u>357,484</u>	<u>57,332</u>	<u>414,816</u>
Revenues over (under) expenditures	<u>-</u>	<u>135,507</u>	<u>(57,332)</u>	<u>78,175</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	275,000	275,000	-	275,000
Transfers to other funds	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>	<u>(275,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 135,507</u>	<u>(57,332)</u>	<u>78,175</u>
<b>Fund Balance:</b>				
Beginning of year – July 1, as previously reported			135,507	-
Restatement			<u>13,832</u>	<u>13,832</u>
End of year – June 30			<u>\$ 92,007</u>	<u>\$ 92,007</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**Schedule C-7**

**CENTRALIZED GRANT PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

*FROM INCEPTION AND YEAR ENDED JUNE 30, 2015*

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 2,171,408	\$ 746,387	\$ 57,922	\$ 804,309
Investment income	-	1	-	1
Other revenue	-	2,100	-	2,100
Total revenues	<u>2,171,408</u>	<u>748,488</u>	<u>57,922</u>	<u>806,410</u>
<b>Expenditures:</b>				
Operating	1,485,955	718,258	148,943	867,201
Capital outlay	844,739	22,684	1,416	24,100
Total expenditures	<u>2,330,694</u>	<u>740,942</u>	<u>150,359</u>	<u>891,301</u>
Revenues over (under) expenditures	(159,286)	7,546	(92,437)	(84,891)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>159,286</u>	<u>168,286</u>	-	<u>168,286</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 175,832</u>	(92,437)	<u>\$ 83,395</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>175,832</u>	
End of year – June 30			<u>\$ 83,395</u>	

## HURRICANE IRENE FEMA GRANT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
FEMA grant funds	\$ 1,054,149	\$ 987,261	\$ -	\$ 987,261
NCEM grant funds	538,688	338,389	-	338,389
Other revenues	-	267,188	-	267,188
Total revenues	<u>1,592,837</u>	<u>1,592,838</u>	<u>-</u>	<u>1,592,838</u>
<b>Expenditures:</b>				
Debris removal	1,058,583	1,058,568	-	1,058,568
Property and casualty loss	456,590	456,590	-	456,590
Total expenditures	<u>1,515,173</u>	<u>1,515,158</u>	<u>-</u>	<u>1,515,158</u>
Revenues over (under) expenditures	77,664	77,680	-	77,680
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(258,256)	(258,271)	-	(258,271)
Transfers from other funds	180,592	-	180,591	180,591
Total other financing sources (uses)	<u>(77,664)</u>	<u>(258,271)</u>	<u>180,591</u>	<u>(77,680)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (180,591)</u>	180,591	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>(180,591)</u>	
End of year – June 30			<u>\$ -</u>	

# Capital Project Fund

The purpose of the Capital Project Fund is to account for the financial resources related to the acquisition of capital assets. The budget shown in the accompanying supplementary information is adopted for the life of the project. Proprietary fund capital projects are not reflected in the Capital Project Funds, but in the respective enterprise funds. During June 30, 2015, the City had the following projects, showing activity, in the Capital Project Funds:

**Affordable House Project** - established to account for the funds that will increase opportunities for working families to become homeowners.

**West Greenville Revitalization Project** - This project involves revitalization of the West Greenville neighborhood. The City has undertaken an aggressive neighborhood revitalization project, committing all of its entitled Community Development Block Grant (CDBG) and HOME Funds for the next eight years.

**Center City Revitalization Project** - established to fund potential projects under discussion include a Performing Arts Center, a hotel/alumni center, land acquisitions for joint university/city projects, infrastructure improvements and joint use parking structures.

**Stantonsburg Road/ 10th Street Connector Project** - involves the extension of Tenth Street on new locations to Stantonsburg Road at Memorial Drive with a grade separation at the CSX Railroad near Dickinson Avenue.

**South Tar River Greenway Project** - involves the planning, design, and construction of a joint use bikeway/greenway along the south side of the Tar River.

**Wayfinding Community Development Project** - used around the City purchase and creation of city signage within city limits.

**Thomas Langston Road Extension Project** - established as part of the 2004 bond referendum for transportation improvements.

**GTAC Project** - established to account for funds used to provide for feasibility study, design, and construction of an Intermodal Transportation Center serving all transportation needs.

**Convention Center Expansion Project** - established to account for funds used to construct the addition of 150 parking spaces along with other improvements.

**Community Oriented Policing Service Project** - established to account for funds used to purchase a radio system that supports interoperability among Greenville Police, Pitt County Sheriff's Office, and other public safety agencies in Pitt County.

**Technology for Public Safety Project** - established to account for funds used to purchase a public safety software system.

**Emergency Operation Center Project** - established to account for funds used in the construction of a new emergency operations center.

## Capital Project Fund (Continued)

**Capital Reserve Fund** - used to accumulate funds to be used for future capital improvements. These improvements consist of construction and other capital projects.

**King George Bridge Capital Project** - established to account for funds used to replace the obsolete bridge on King George road in the Brook Valley neighborhood.

**Green Mill Greenway Project** - established to account for funds used to extend the Green Mill Greenway from its current end on Charles Boulevard to Evans Park on Arlington Boulevard.

**Dream Park Capital Project** - established to account for funds used to design and construct a community park and sprayground in the West Greenville community.

**Energy Savings Equipment Project** - established to account for funds used to provide improvements to City facilities to make them more energy efficient.

**Uptown Parking Deck Project** - established to account for funds used to design and construct a parking deck in the City's Uptown area.

**Enterprise Resource Planning (ERP) Project** - established to track the transactions needed for the City to transition its Financial Management system to the Munis system.

**CVA Expansion Phase III Project** - established to account for funds used to update and expand the Greenville Convention Center and position it to compete with other facilities of its kind.

**Street Improvement Project** - established to account for funds used to improve the streets/roads within the City limits.

**South Greenville Reconstruction Project** - established to account for funds used to construct, reconstruct and equip the South Greenville gymnasium.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**

**Schedule D-1**

JUNE 30, 2015

	Affordable Housing Project	West Greenville Revitalization	Center City Revitalization	Stantonsburg Road/ 10th Street Connector	South Tar River Greenway	Way Finding Community Development	Thomas Langston Road Extension Project	GTAC Project Fund	Convention Center Expansion Project	Community Oriented Policing Service Project
<b>Assets:</b>										
Cash and cash equivalents	\$ 457,342	\$ 112,906	\$ -	\$ 407,086	\$ -	\$ -	\$ -	\$ 780,267	\$ -	\$ -
Accounts receivable, net	342,445	-	3,376	-	-	-	-	5,949	-	-
Restricted cash and investments	-	-	532,868	1,391	-	-	318,063	-	988,621	-
Total assets	\$ 799,787	\$ 112,906	\$ 536,244	\$ 408,477	\$ -	\$ -	\$ 318,063	\$ 786,216	\$ 988,621	\$ -
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Accounts payable and accrued liabilities	\$ 33,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances from grantors	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	336,858	-	-	-	257,520	-	917,427	-
Total liabilities	33,804	-	336,858	-	-	-	257,520	-	917,427	-
<b>Fund Balances:</b>										
Non-spendable										
Loans receivable	342,445	-	-	-	-	-	-	-	-	-
Restricted:										
Stabilization by State statute	-	-	3,376	-	-	-	-	5,949	-	-
Restricted for economic development	-	-	532,868	1,391	-	-	318,063	-	988,621	-
Committed:										
Committed for general government	-	-	-	-	-	-	-	-	-	-
Committed for cultural and recreational	-	-	-	-	-	-	-	-	-	-
Committed for public safety	-	-	-	-	-	-	-	-	-	-
Committed for economic development	423,538	112,906	-	407,086	-	-	-	780,267	-	-
Committed for capital outlays	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(336,858)	-	-	-	(257,520)	-	(917,427)	-
Total fund balances	765,983	112,906	199,386	408,477	-	-	60,543	786,216	71,194	-
Total liabilities and fund balances	\$ 799,787	\$ 112,906	\$ 536,244	\$ 408,477	\$ -	\$ -	\$ 318,063	\$ 786,216	\$ 988,621	\$ -

Technology for Public Safety Project	Emergency Operations Center Project	Capital Reserve Fund	King George Bridge Capital Project	Green Mill Greenway Project	Dream Park Capital Project	Energy Savings Equipment Project	Uptown Parking Deck	ERP Capital Project	Street Improvement Fund	South Greenville Recon	CVA Expansion Phase III	Total
\$ 81,760	\$ -	\$ 699,625	\$ 233,210	\$ 627,321	\$ -	\$ 1,795	\$ -	\$ 1,474,389	\$ 1,434,909	\$ 92,927	\$ -	\$ 6,403,537
-	362	-	-	18,717	-	-	46,061	15	548	-	-	417,473
-	-	-	-	-	-	-	447,613	-	-	-	4,563,529	6,852,085
<u>\$ 81,760</u>	<u>\$ 362</u>	<u>\$ 699,625</u>	<u>\$ 233,210</u>	<u>\$ 646,038</u>	<u>\$ -</u>	<u>\$ 1,795</u>	<u>\$ 493,674</u>	<u>\$ 1,474,404</u>	<u>\$ 1,435,457</u>	<u>\$ 92,927</u>	<u>\$ 4,563,529</u>	<u>\$ 13,673,095</u>
\$ -	\$ -	\$ -	\$ -	\$ 104,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,115
-	-	-	119,989	150,793	-	-	-	-	-	-	-	270,782
-	48,142	-	-	-	-	-	361,194	-	-	-	2,716,933	4,638,074
-	48,142	-	119,989	255,104	-	-	361,194	-	-	-	2,716,933	5,046,971
-	-	-	-	-	-	-	-	-	-	-	-	342,445
-	362	-	-	18,717	-	-	46,061	15	548	-	-	75,028
-	-	-	-	-	-	-	447,613	-	-	-	4,563,529	6,852,085
-	-	-	-	-	-	1,795	-	1,474,389	-	-	-	1,476,184
-	-	-	-	372,217	-	-	-	-	-	-	-	372,217
81,760	-	-	-	-	-	-	-	-	-	-	-	81,760
-	-	-	113,221	-	-	-	-	-	1,434,909	92,927	-	3,364,854
-	-	699,625	-	-	-	-	-	-	-	-	-	699,625
-	(48,142)	-	-	-	-	-	(361,194)	-	-	-	(2,716,933)	(4,638,074)
<u>81,760</u>	<u>(47,780)</u>	<u>699,625</u>	<u>113,221</u>	<u>390,934</u>	<u>-</u>	<u>1,795</u>	<u>132,480</u>	<u>1,474,404</u>	<u>1,435,457</u>	<u>92,927</u>	<u>1,846,596</u>	<u>8,626,124</u>
<u>\$ 81,760</u>	<u>\$ 362</u>	<u>\$ 699,625</u>	<u>\$ 233,210</u>	<u>\$ 646,038</u>	<u>\$ -</u>	<u>\$ 1,795</u>	<u>\$ 493,674</u>	<u>\$ 1,474,404</u>	<u>\$ 1,435,457</u>	<u>\$ 92,927</u>	<u>\$ 4,563,529</u>	<u>\$ 13,673,095</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

YEAR ENDED JUNE 30, 2015

	Affordable Housing Project	West Greenville Revitalization	Center City Revitalization	Stantonsburg Road/10th Street Connector	South Tar River Greenway	Way Finding Community Development	Thomas Langston Road Extension Project	GTAC Project Fund	Convention Center Expansion Project	Community Oriented Policing Service Project
<b>Revenues:</b>										
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,847	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	758	1,831	3	-	-	429	-	-	-
Other revenues	<u>33,645</u>	<u>98,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>33,645</u>	<u>98,833</u>	<u>1,831</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>429</u>	<u>32,847</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	(1)
Cultural and recreational	-	-	-	-	-	-	-	-	-	-
Economic and physical development	<u>53,987</u>	<u>228,730</u>	<u>563,250</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>36,497</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>53,987</u>	<u>228,730</u>	<u>563,250</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>36,497</u>	<u>-</u>	<u>(1)</u>
Revenues over (under) expenditures	<u>(20,342)</u>	<u>(129,897)</u>	<u>(561,419)</u>	<u>3</u>	<u>(1)</u>	<u>-</u>	<u>429</u>	<u>(3,650)</u>	<u>-</u>	<u>1</u>
<b>Other Financing Sources (Uses):</b>										
Long-term debt issued	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	178,000	-	262,968
Transfer to other funds	-	-	(160,500)	-	(4,699)	(47,871)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(160,500)</u>	<u>-</u>	<u>(4,699)</u>	<u>(47,871)</u>	<u>-</u>	<u>178,000</u>	<u>-</u>	<u>262,968</u>
Net change in fund balances	<u>(20,342)</u>	<u>(129,897)</u>	<u>(721,919)</u>	<u>3</u>	<u>(4,700)</u>	<u>(47,871)</u>	<u>429</u>	<u>174,350</u>	<u>-</u>	<u>262,969</u>
<b>Fund Balances:</b>										
Beginning of year – July 1, as previously reported	441,499	242,803	921,305	408,474	4,700	47,871	60,114	611,866	71,194	(262,969)
Restatement	<u>344,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year – June 30	<u>\$ 786,325</u>	<u>\$ 242,803</u>	<u>\$ 921,305</u>	<u>\$ 408,477</u>	<u>\$ 4,700</u>	<u>\$ 47,871</u>	<u>\$ 60,543</u>	<u>\$ 786,216</u>	<u>\$ 71,194</u>	<u>\$ -</u>

Technology for Public Safety Project	Emergency Operations Center Project	Capital Reserve Fund	King George Bridge Capital Project	Green Mill Greenway Project	Dream Park Capital Project	Energy Savings Equipment Project	Uptown Parking Deck	ERP Capital Project	Street Improvement Funds	South Greenville Recon	CVA Expansion Phase III	Total
\$ -	\$ -	\$ -	\$ 12,791	\$ 158,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,818
-	-	-	-	-	-	-	-	-	-	-	283,081	283,081
-	-	-	-	-	-	15	441	-	-	-	-	3,477
-	-	-	-	-	-	-	-	-	-	-	-	131,720
-	-	-	12,791	158,180	-	15	441	-	-	-	283,081	622,096
-	-	-	-	-	-	82,383	-	504,672	-	-	-	587,055
29,451	76,695	-	-	-	-	-	-	-	-	-	-	106,145
-	-	-	-	449,132	-	-	-	-	-	-	-	449,132
-	-	-	570	-	1	-	4,582,812	-	1,214,543	107,073	3,111,072	9,898,536
29,451	76,695	-	570	449,132	1	82,383	4,582,812	504,672	1,214,543	107,073	3,111,072	11,040,868
(29,451)	(76,695)	-	12,221	(290,952)	(1)	(82,368)	(4,582,371)	(504,672)	(1,214,543)	(107,073)	(2,827,991)	(10,418,772)
-	-	-	-	-	-	-	-	-	-	-	4,200,000	4,200,000
-	-	43,370	-	66,677	1,331	-	160,500	-	2,650,000	200,000	-	3,562,846
-	-	-	-	-	-	-	-	-	-	-	-	(213,070)
-	-	43,370	-	66,677	1,331	-	160,500	-	2,650,000	200,000	4,200,000	7,549,776
(29,451)	(76,695)	43,370	12,221	(224,275)	1,330	(82,368)	(4,421,871)	(504,672)	1,435,457	92,927	1,372,009	(2,868,996)
111,211	28,915	656,255	101,000	615,209	(1,330)	84,163	4,554,351	1,979,076	-	-	474,587	11,150,294
-	-	-	-	-	-	-	-	-	-	-	-	344,826
\$ 81,760	\$ (47,780)	\$ 699,625	\$ 113,221	\$ 390,934	\$ -	\$ 1,795	\$ 132,480	\$ 1,474,404	\$ 1,435,457	\$ 92,927	\$ 1,846,596	\$ 8,626,124

**CITY OF GREENVILLE, NORTH CAROLINA**

**Schedule D-3**

**AFFORDABLE HOUSING CAPITAL PROJECT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

*FROM INCEPTION AND YEAR ENDED JUNE 30, 2015*

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
<b>Revenues:</b>				
Interest earnings	\$ 180,500	\$ 190,930	\$ -	\$ 190,930
Loan payments	492,100	291,350	22,775	314,125
Sale of property	1,706,000	1,795,996	10,870	1,806,866
Total revenues	<u>2,378,600</u>	<u>2,278,276</u>	<u>33,645</u>	<u>2,311,921</u>
<b>Expenditures:</b>				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	2,421,151	2,136,115	-	2,136,115
Land banking	1,083,000	964,252	-	964,252
Rehabilitation	393,100	255,536	53,987	309,523
Total expenditures	<u>3,903,600</u>	<u>3,362,252</u>	<u>53,987</u>	<u>3,416,239</u>
Revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(1,083,976)</u>	<u>(20,342)</u>	<u>(1,104,318)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	1,000,000	1,000,475	-	1,000,475
Transfer from General Fund	525,000	525,000	-	525,000
Total other financing sources (uses)	<u>1,525,000</u>	<u>1,525,475</u>	<u>-</u>	<u>1,525,475</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 441,499</u>	<u>(20,342)</u>	<u>421,157</u>
<b>Fund Balance:</b>				
Beginning of year – July 1, as previously reported			441,499	-
Restatement			<u>344,826</u>	<u>344,826</u>
End of year – June 30			<u>\$ 765,983</u>	<u>\$ 765,983</u>

## WEST GREENVILLE REVITALIZATION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Other income	\$ 439,817	\$ 431,062	\$ -	\$ 431,062
Sales and services	382,020	423,156	98,075	521,231
Interest earnings	203,058	125,868	758	126,626
Total revenues	<u>1,024,895</u>	<u>980,086</u>	<u>98,833</u>	<u>1,078,919</u>
<b>Expenditures:</b>				
Acquisition	2,830,367	2,630,275	182,615	2,812,890
Demolition	404,279	410,607	-	410,607
Construction	605,175	580,175	-	580,175
Infrastructure	1,404,015	1,358,229	46,115	1,404,344
Development financing	194,266	193,661	-	193,661
Relocation assistance	268,518	269,149	-	269,149
Owner occupied rehabilitation	213,035	213,791	-	213,791
Furnishings	44,968	44,968	-	44,968
Bond administration	60,272	60,271	-	60,271
Total expenditures	<u>6,024,895</u>	<u>5,761,126</u>	<u>228,730</u>	<u>5,989,856</u>
Revenues over (under) expenditures	<u>(5,000,000)</u>	<u>(4,781,040)</u>	<u>(129,897)</u>	<u>(4,910,937)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	23,843	-	23,843
Bonds issued	5,000,000	5,000,000	-	5,000,000
Total other financing sources (uses)	<u>5,000,000</u>	<u>5,023,843</u>	<u>-</u>	<u>5,023,843</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 242,803</u>	<u>(129,897)</u>	<u>\$ 112,906</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>242,803</u>	
End of year – June 30			<u>\$ 112,906</u>	

## CENTER CITY REVITALIZATION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 32,500	\$ 25,250	\$ -	\$ 25,250
Interest earnings	273,013	276,930	1,831	278,761
Total revenues	<u>305,513</u>	<u>302,180</u>	<u>1,831</u>	<u>304,011</u>
<b>Expenditures:</b>				
Acquisition	806,904	869,133	78,972	948,105
Infrastructure	3,851,015	3,078,887	484,278	3,563,165
Construction	190,708	88,107	-	88,107
Development financing	269,896	299,895	-	299,895
Bond administration	51,394	69,757	-	69,757
Total expenditures	<u>5,169,917</u>	<u>4,405,779</u>	<u>563,250</u>	<u>4,969,029</u>
Revenues over (under) expenditures	<u>(4,864,404)</u>	<u>(4,103,599)</u>	<u>(561,419)</u>	<u>(4,665,018)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer out	(160,500)	-	(160,500)	(160,500)
Premium received on debt issue	24,904	24,904	-	24,904
Bonds issued	5,000,000	5,000,000	-	5,000,000
Total other financing sources (uses)	<u>4,864,404</u>	<u>5,024,904</u>	<u>(160,500)</u>	<u>4,864,404</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 921,305</u>	<u>(721,919)</u>	<u>\$ 199,386</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>921,305</u>	
End of year – June 30			<u>\$ 199,386</u>	

**CITY OF GREENVILLE, NORTH CAROLINA**  
**STANTONSBURG ROAD / 10TH STREET CONNECTOR**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

**Schedule D-6**

*FROM INCEPTION AND YEAR ENDED JUNE 30, 2015*

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 4,000,000	\$ 3,050,002	\$ -	\$ 3,050,002
Interest earnings	22,000	2,229	3	2,232
Other income	-	44,850	-	44,850
Total revenues	<u>4,022,000</u>	<u>3,097,081</u>	<u>3</u>	<u>3,097,084</u>
<b>Expenditures:</b>				
Bond administration cost	22,000	55,610	-	55,610
Engineering	6,000,000	5,601,734	-	5,601,734
Total expenditures	<u>6,022,000</u>	<u>5,657,344</u>	<u>-</u>	<u>5,657,344</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(2,560,263)</u>	<u>3</u>	<u>(2,560,260)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	-	943,000	-	943,000
Bonds issued	2,000,000	2,025,737	-	2,025,737
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,968,737</u>	<u>-</u>	<u>2,968,737</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 408,474</u>	<u>3</u>	<u>\$ 408,477</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>408,474</u>	
End of year – June 30			<u>\$ 408,477</u>	

## SOUTH TAR RIVER GREENWAY PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 1,435,515	\$ 1,435,516	\$ -	\$ 1,435,516
Other income	3,700	3,700	-	3,700
Total revenues	<u>1,439,215</u>	<u>1,439,216</u>	<u>-</u>	<u>1,439,216</u>
<b>Expenditures:</b>				
Construction	1,265,284	1,265,284	-	1,265,284
Engineering	171,113	171,113	1	171,114
Right of way	(881)	(881)	-	(881)
Total expenditures	<u>1,435,516</u>	<u>1,435,516</u>	<u>1</u>	<u>1,435,517</u>
Revenues over (under) expenditures	<u>3,699</u>	<u>3,700</u>	<u>(1)</u>	<u>3,699</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(4,699)	-	(4,699)	(4,699)
Transfers from other funds	1,000	1,000	-	1,000
Total other financing sources (uses)	<u>(3,699)</u>	<u>1,000</u>	<u>(4,699)</u>	<u>(3,699)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,700</u>	<u>(4,700)</u>	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>4,700</u>	
End of year – June 30			<u>\$ -</u>	

## WAY FINDING COMMUNITY DEVELOPMENT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 2,536	\$ 2,537	\$ -	\$ 2,537
<b>Expenditures:</b>				
Construction	<u>223,271</u>	<u>223,272</u>	-	<u>223,272</u>
Total expenditures	<u>223,271</u>	<u>223,272</u>	-	<u>223,272</u>
Revenues over (under) expenditures	<u>(220,735)</u>	<u>(220,735)</u>	-	<u>(220,735)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(87,871)	(40,000)	(47,871)	(87,871)
Transfers from other funds	<u>308,606</u>	<u>308,606</u>	-	<u>308,606</u>
Total other financing sources (uses)	<u>220,735</u>	<u>268,606</u>	<u>(47,871)</u>	<u>220,735</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 47,871</u>	(47,871)	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>47,871</u>	
End of year – June 30			<u>\$ -</u>	

**CITY OF GREENVILLE, NORTH CAROLINA**  
**THOMAS LANGSTON ROAD EXTENSION PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

**Schedule D-9**

*FROM INCEPTION AND YEAR ENDED JUNE 30, 2015*

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 705,968	\$ 308,546	\$ -	\$ 308,546
Interest earnings	11,440	6,357	429	6,786
Other income	-	104,167	-	104,167
Total revenues	<u>717,408</u>	<u>419,070</u>	<u>429</u>	<u>419,499</u>
<b>Expenditures:</b>				
Engineering	615,299	508,976	-	508,976
Bond administration expense	36,803	38,886	-	38,886
Construction	<u>3,328,745</u>	<u>3,075,912</u>	-	<u>3,075,912</u>
Total expenditures	<u>3,980,847</u>	<u>3,623,774</u>	-	<u>3,623,774</u>
Revenues over (under) expenditures	<u>(3,263,439)</u>	<u>(3,204,704)</u>	<u>429</u>	<u>(3,204,275)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	2,896,803	2,896,803	-	2,896,803
Transfers from other funds	<u>366,636</u>	<u>368,015</u>	-	<u>368,015</u>
Total other financing sources (uses)	<u>3,263,439</u>	<u>3,264,818</u>	-	<u>3,264,818</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 60,114</u>	<u>429</u>	<u>\$ 60,543</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>60,114</u>	
End of year – June 30			<u>\$ 60,543</u>	

## GTAC PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal Transit Administration Grant	\$ 950,500	\$ 342,759	\$ 32,847	\$ 375,606
Interest earnings	-	113	-	113
Total revenues	<u>950,500</u>	<u>342,872</u>	<u>32,847</u>	<u>375,719</u>
<b>Expenditures:</b>				
Construction	<u>1,685,618</u>	<u>383,841</u>	<u>36,497</u>	<u>420,338</u>
Total expenditures	<u>1,685,618</u>	<u>383,841</u>	<u>36,497</u>	<u>420,338</u>
Revenues over (under) expenditures	(735,118)	(40,969)	(3,650)	(44,619)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>735,118</u>	<u>652,835</u>	<u>178,000</u>	<u>830,835</u>
Total other financing sources (uses)	<u>735,118</u>	<u>652,835</u>	<u>178,000</u>	<u>830,835</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 611,866</u>	174,350	<u>\$ 786,216</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>611,866</u>	
End of year – June 30			<u>\$ 786,216</u>	

## COMMUNITY ORIENTED POLICING SERVICES (COPS) PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 3,033,285	\$ 3,033,284	\$ -	\$ 3,033,284
Interest earnings	1,862	1,862	-	1,862
Total revenues	<u>3,035,147</u>	<u>3,035,146</u>	<u>-</u>	<u>3,035,146</u>
<b>Expenditures:</b>				
Administration	2,280,964	2,280,964	(1)	2,280,963
Capital outlay	1,678,792	1,678,782	-	1,678,782
Total expenditures	<u>3,959,756</u>	<u>3,959,746</u>	<u>(1)</u>	<u>3,959,745</u>
Revenues over (under) expenditures	<u>(924,609)</u>	<u>(924,600)</u>	<u>1</u>	<u>(924,599)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>924,609</u>	<u>661,631</u>	<u>262,968</u>	<u>924,599</u>
Total other financing sources (uses)	<u>924,609</u>	<u>661,631</u>	<u>262,968</u>	<u>924,599</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (262,969)</u>	<u>262,969</u>	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>(262,969)</u>	
End of year – June 30			<u>\$ -</u>	

## NEW TECHNOLOGY FOR PUBLIC SAFETY PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 6,184	\$ -	\$ 6,184
Other revenue	-	120	-	120
Total revenues	<u>-</u>	<u>6,304</u>	<u>-</u>	<u>6,304</u>
<b>Expenditures:</b>				
Testing	2,753,957	2,016,300	22,111	2,038,411
Capital outlay	<u>730,043</u>	<u>600,863</u>	<u>7,340</u>	<u>608,203</u>
Total expenditures	<u>3,484,000</u>	<u>2,617,163</u>	<u>29,451</u>	<u>2,646,614</u>
Revenues over (under) expenditures	<u>(3,484,000)</u>	<u>(2,610,859)</u>	<u>(29,451)</u>	<u>(2,640,310)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	-	(761,930)	-	(761,930)
Transfers from other funds	<u>3,484,000</u>	<u>3,484,000</u>	<u>-</u>	<u>3,484,000</u>
Total other financing sources (uses)	<u>3,484,000</u>	<u>2,722,070</u>	<u>-</u>	<u>2,722,070</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 111,211</u>	(29,451)	<u>\$ 81,760</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>111,211</u>	
End of year – June 30			<u>\$ 81,760</u>	

## EMERGENCY OPERATIONS CENTER

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Homeland Security Grant	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
<b>Expenditures:</b>				
Construction	<u>1,048,700</u>	<u>1,019,785</u>	<u>76,695</u>	<u>1,096,480</u>
Total expenditures	<u>1,048,700</u>	<u>1,019,785</u>	<u>76,695</u>	<u>1,096,480</u>
Revenues over (under) expenditures	(448,700)	(419,785)	(76,695)	(496,480)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>448,700</u>	<u>448,700</u>	<u>-</u>	<u>448,700</u>
Total other financing sources (uses)	<u>448,700</u>	<u>448,700</u>	<u>-</u>	<u>448,700</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 28,915</u>	(76,695)	<u>\$ (47,780)</u>
<b>Fund Balance:</b>				
Beginning of year – July 1			<u>28,915</u>	
End of year – June 30			<u>\$ (47,780)</u>	

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	\$ 43,369	\$ 43,370	\$ 1
Transfers to other funds	<u>(43,369)</u>	<u>-</u>	<u>43,369</u>
Total other financing sources (uses)	<u>-</u>	<u>43,370</u>	<u>43,370</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>43,370</u>	 <u>\$ 43,370</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>656,255</u>	
End of year - June 30		<u>\$ 699,625</u>	

## KING GEORGE BRIDGE

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal Highway Administration Grant	\$ 403,999	\$ 244	\$ 12,791	\$ 13,035
Total revenues	<u>403,999</u>	<u>244</u>	<u>12,791</u>	<u>13,035</u>
<b>Expenditures:</b>				
Construction	<u>504,999</u>	<u>244</u>	<u>570</u>	<u>814</u>
Total expenditures:	<u>504,999</u>	<u>244</u>	<u>570</u>	<u>814</u>
Revenues over (under) expenditures	(101,000)	-	12,221	12,221
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>101,000</u>	<u>101,000</u>	-	<u>101,000</u>
Total other financing sources (uses)	<u>101,000</u>	<u>101,000</u>	-	<u>101,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 101,000</u>	\$ 12,221	<u>\$ 113,221</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>101,000</u>	
End of year - June 30			<u>\$ 113,221</u>	

## GREEN MILL GREENWAY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal Highway Administration Grant	\$ 2,579,921	\$ 145,667	\$ 158,180	\$ 303,847
Other revenue - donations	-	50,000	-	50,000
Total revenues	<u>2,579,921</u>	<u>195,667</u>	<u>158,180</u>	<u>353,847</u>
<b>Expenditures:</b>				
Construction	<u>3,298,446</u>	<u>294,626</u>	<u>449,132</u>	<u>743,758</u>
Total expenditures:	<u>3,298,446</u>	<u>294,626</u>	<u>449,132</u>	<u>743,758</u>
Revenues over (under) expenditures	(718,525)	(98,959)	(290,952)	(389,911)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>718,525</u>	<u>714,168</u>	<u>66,677</u>	<u>780,845</u>
Total other financing sources (uses)	<u>718,525</u>	<u>714,168</u>	<u>66,677</u>	<u>780,845</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 615,209</u>	<u>(224,275)</u>	<u>\$ 390,934</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>615,209</u>	
End of year - June 30			<u>\$ 390,934</u>	

## DREAM PARK CAPITAL PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Expenditures:</b>				
Construction	\$ 820,978	\$ 820,977	\$ 1	\$ 820,978
Total expenditures:	<u>820,978</u>	<u>820,977</u>	<u>1</u>	<u>820,978</u>
Revenues over (under) expenditures	(820,978)	(820,977)	(1)	(820,978)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	820,978	819,647	1,331	820,978
Total other financing sources (uses)	<u>820,978</u>	<u>819,647</u>	<u>1,331</u>	<u>820,978</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,330)</u>	1,330	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>(1,330)</u>	
End of year - June 30			<u>\$ -</u>	

## ENERGY SAVINGS EQUIPMENT PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 774	\$ 15	\$ 789
Total revenues	<u>-</u>	<u>774</u>	<u>15</u>	<u>789</u>
<b>Expenditures:</b>				
Administration	-	20,000	-	20,000
Construction	<u>2,591,373</u>	<u>2,487,983</u>	<u>82,383</u>	<u>2,570,366</u>
Total expenditures	<u>2,591,373</u>	<u>2,507,983</u>	<u>82,383</u>	<u>2,590,366</u>
Revenues over (under) expenditures	(2,591,373)	(2,507,209)	(82,368)	(2,589,577)
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	<u>2,591,373</u>	<u>2,591,372</u>	-	<u>2,591,372</u>
Total other financing sources (uses)	<u>2,591,373</u>	<u>2,591,372</u>	-	<u>2,591,372</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 84,163</u>	(82,368)	<u>\$ 1,795</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>84,163</u>	
End of year - June 30			<u>\$ 1,795</u>	

## UPTOWN PARKING DECK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Rents and concessions	\$ 36,107	\$ -	\$ -	\$ -
Investment earnings	-	-	441	441
Total revenues	<u>36,107</u>	<u>-</u>	<u>441</u>	<u>441</u>
<b>Expenditures:</b>				
Construction	<u>5,194,153</u>	<u>443,195</u>	<u>4,582,812</u>	<u>5,026,007</u>
Total expenditures	<u>5,194,153</u>	<u>443,195</u>	<u>4,582,812</u>	<u>5,026,007</u>
Revenues over (under) expenditures	<u>(5,158,046)</u>	<u>(443,195)</u>	<u>(4,582,371)</u>	<u>(5,025,566)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	160,500	-	160,500	160,500
Long-term debt issued	<u>4,997,546</u>	<u>4,997,546</u>	<u>-</u>	<u>4,997,546</u>
Total other financing sources (uses)	<u>5,158,046</u>	<u>4,997,546</u>	<u>160,500</u>	<u>5,158,046</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,554,351</u>	<u>(4,421,871)</u>	<u>\$ 132,480</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>4,554,351</u>	
End of year - June 30			<u>\$ 132,480</u>	

## ERP CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Expenditures:</b>				
General government:				
ERP system and implementation	\$ 2,500,000	\$ 520,924	\$ 504,672	\$ 1,025,596
Total expenditures	<u>2,500,000</u>	<u>520,924</u>	<u>504,672</u>	<u>1,025,596</u>
Revenues over (under) expenditures	<u>(2,500,000)</u>	<u>(520,924)</u>	<u>(504,672)</u>	<u>(1,025,596)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>2,500,000</u>	<u>2,500,000</u>	-	<u>2,500,000</u>
Total other financing sources (uses)	<u>2,500,000</u>	<u>2,500,000</u>	-	<u>2,500,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,979,076</u>	(504,672)	<u>\$ 1,474,404</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>1,979,076</u>	
End of year - June 30			<u>\$ 1,474,404</u>	

STREET IMPROVEMENT CAPITAL PROJECT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Expenditures:</b>				
Construction	\$ 2,650,000	\$ -	\$ 1,214,543	\$ 1,214,543
Total expenditures	<u>2,650,000</u>	<u>-</u>	<u>1,214,543</u>	<u>1,214,543</u>
Revenues over (under) expenditures	(2,650,000)	-	(1,214,543)	(1,214,543)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	2,650,000	-	2,650,000	2,650,000
Total other financing sources (uses)	<u>2,650,000</u>	<u>-</u>	<u>2,650,000</u>	<u>2,650,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,435,457	<u>\$ 1,435,457</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			-	
End of year - June 30			<u>\$ 1,435,457</u>	

## SOUTH GREENVILLE RECONSTRUCTION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Expenditures:</b>				
Engineering	\$ 200,000	\$ -	\$ 107,073	\$ 107,073
Total expenditures	<u>200,000</u>	<u>-</u>	<u>107,073</u>	<u>107,073</u>
Revenues over (under) expenditures	(200,000)	-	(107,073)	(107,073)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	200,000	-	200,000	200,000
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	92,927	<u>\$ 92,927</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			-	
End of year - June 30			<u>\$ 92,927</u>	

## CVA EXPANSION PHASE III

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Occupancy taxes	\$ -	\$ 77,977	\$ 283,081	\$ 361,058
Total revenues	<u>-</u>	<u>77,977</u>	<u>283,081</u>	<u>361,058</u>
<b>Expenditures:</b>				
Construction	4,600,000	3,390	3,111,072	3,114,462
Total expenditures	<u>4,600,000</u>	<u>3,390</u>	<u>3,111,072</u>	<u>3,114,462</u>
Revenues over (under) expenditures	<u>(4,600,000)</u>	<u>74,587</u>	<u>(2,827,991)</u>	<u>(2,753,404)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	400,000	400,000	-	400,000
Long-term debt issued	4,200,000	-	4,200,000	4,200,000
Total other financing sources (uses)	<u>4,600,000</u>	<u>400,000</u>	<u>4,200,000</u>	<u>4,600,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 474,587</u>	1,372,009	<u>\$ 1,846,596</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>474,587</u>	
End of year - June 30			<u>\$ 1,846,596</u>	



# DEBT SERVICE FUND

FY 2015 Comprehensive Annual Financial Report

## Debt Service Fund

The Debt Service Fund accounts for the payment of the City's debt.

## NONMAJOR DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

	2015		Variance Positive/ Negative
	Budget	Actual	
<b>Revenues:</b>			
Other taxes	\$ 793,303	\$ 636,088	\$ (157,215)
Investment earnings	-	329	329
Total revenues	<u>793,303</u>	<u>636,417</u>	<u>(156,886)</u>
<b>Expenditures:</b>			
Current:			
Principal retirement	3,971,228	3,766,065	205,163
Interest and fees	<u>1,054,088</u>	<u>1,033,931</u>	<u>20,157</u>
Total expenditures	<u>5,025,316</u>	<u>4,799,996</u>	<u>225,320</u>
Revenues over (under) expenditures	<u>(4,232,013)</u>	<u>(4,163,579)</u>	<u>68,434</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	<u>4,232,013</u>	<u>4,113,477</u>	<u>(118,536)</u>
Total other financing sources (uses)	<u>4,232,013</u>	<u>4,113,477</u>	<u>(118,536)</u>
Net change in fund balance	<u>\$ -</u>	<u>(50,102)</u>	<u>\$ (50,102)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>442,800</u>	
End of year - June 30		<u>\$ 392,698</u>	

# PROPRIETARY FUND FINANCIAL STATEMENTS

## FY 2015 Comprehensive Annual Financial Report



## Enterprise Funds

Enterprise Funds are established to account for enterprise operations that are financed and operated in a manner similar to private business. The intent is that the cost of providing goods and services to the general public will be recovered primarily through user charges.

### Major Funds

**Electric Fund** - established to account for the enterprise operation of providing power to the residents of the City.

**Water Fund** - established to account for the enterprise operation of providing water to the residents of the City.

**Sewer Fund** - established to account for the enterprise operation of providing sewer services to the residents of the City.

**Gas Fund** - established to account for the enterprise operation of providing natural gas to the residents of the City.

### Non-Major Funds

**Public Transportation Fund** - established to account for the user charges, fees, federal contributions, and all operating costs associated with the operation of the transit system of the City.

**Stormwater Utility Fund** - established to account for the operations of the Stormwater Utility operated through the Public Works Department of the City.

This fund has four affiliating capital project funds.

**Stormwater Drainage Maintenance Improvement Project** - established to account for funds used in the correction and maintenance of drainage issues for the southwest corridor of the City.

**Town Creek Culvert Project** - established to account for funds used to invest in rehabilitation or new system.

**Watershed Master Plan Project** - established to account for funds used to develop master plans designed to manage the stormwater drainage system more efficiently.

**Sanitation Fund** - established to account for the user charges, fees, and all operating costs associated with sanitation collection and maintenance operation of the City.

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule F-1

## ELECTRIC OPERATING FUND – MAJOR ENTERPRISE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) –

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Operating revenues:				
Rates and charges	\$ 196,655,292	\$ 196,828,376	\$ 173,084	\$ 199,134,647
Fees and charges	1,270,770	1,221,977	(48,793)	1,179,942
U.G. temp service charges	123,494	119,537	(3,957)	106,910
Miscellaneous	733,071	822,672	89,601	699,404
Total operating revenues	<u>198,782,627</u>	<u>198,992,562</u>	<u>209,935</u>	<u>201,120,903</u>
Non-operating revenues:				
Interest on investments	138,395	162,186	23,791	102,578
FEMA/insurance reimbursements	-	-	-	51,027
Miscellaneous	452,273	718,587	266,314	1,135,959
Total non-operating revenues	<u>590,668</u>	<u>880,773</u>	<u>290,105</u>	<u>1,289,564</u>
Total revenues	<u>199,373,295</u>	<u>199,873,335</u>	<u>500,040</u>	<u>202,410,467</u>
<b>Expenditures:</b>				
Electric Fund:				
Maintenance and repairs		3,168,777		3,287,428
Other operating expenses		183,082,984		187,939,333
Capital outlay		5,906,099		5,161,721
Debt service		3,408,847		3,407,819
Total expenditures	<u>197,373,295</u>	<u>195,566,707</u>	<u>1,806,588</u>	<u>199,796,301</u>
Excess of revenues over (under) expenditures	<u>2,000,000</u>	<u>4,306,628</u>	<u>2,306,628</u>	<u>2,614,166</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers	<u>(2,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(1,220,000)</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(1,220,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 306,628</u>	<u>\$ 306,628</u>	<u>\$ 1,394,166</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 306,628		\$ 1,394,166
Budgetary appropriations – capital		5,906,099		5,161,721
Budgetary appropriations – debt principal		2,745,501		2,663,883
Depreciation		(7,677,763)		(7,596,737)
Amortization of bond premium and discount		10,024		10,024
Amortization of deferred loss on refundings		(45,784)		(45,785)
Changes in accrued interest payable		19,050		17,779
Changes in unrealized gains/losses on investments		(7,999)		5,538
Intra-fund transfers		4,000,000		1,220,000
Changes in OPEB liability		(267,837)		(432,741)
Pension expense		(78,660)		-
Deferred pension contributions		802,044		-
Revenue recognized in capital projects		575,866		388,666
Total reconciling items		<u>5,980,541</u>		<u>1,392,348</u>
Changes in net position		<u>\$ 6,287,169</u>		<u>\$ 2,786,514</u>

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule F-2

## WATER OPERATING FUND – MAJOR ENTERPRISE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) –

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Operating Revenues:				
Rates and charges	\$ 16,909,914	\$ 16,753,280	\$ (156,634)	\$ 15,819,721
Fees and charges	319,894	274,387	(45,507)	348,287
U.G. and temporary service charges	3,010	2,900	(110)	-
Miscellaneous	94,387	96,915	2,528	98,063
Total operating revenues	<u>17,327,205</u>	<u>17,127,482</u>	<u>(199,723)</u>	<u>16,266,071</u>
Non-Operating Revenues:				
Interest on investments	40,351	42,867	\$ 2,516	35,122
Miscellaneous	157,830	169,212	11,382	91,367
Total non-operating revenues	<u>198,181</u>	<u>212,079</u>	<u>13,898</u>	<u>126,489</u>
Total revenues	<u>17,525,386</u>	<u>17,339,561</u>	<u>(185,825)</u>	<u>16,392,560</u>
<b>Expenditures:</b>				
Maintenance and repairs		1,256,544		1,096,630
Other operating expenses		10,212,893		9,890,231
Capital outlay		867,400		457,191
Debt Service		3,980,024		4,045,653
Total expenditures	<u>16,875,386</u>	<u>16,316,861</u>	<u>558,525</u>	<u>15,489,705</u>
Excess of revenues over (under) expenditures	<u>650,000</u>	<u>1,022,700</u>	<u>372,700</u>	<u>902,855</u>
<b>Other Financing Sources (Uses):</b>				
Intra-fund transfers	<u>(650,000)</u>	<u>(300,000)</u>	<u>350,000</u>	<u>(804,000)</u>
Total other financing sources (uses)	<u>(650,000)</u>	<u>(300,000)</u>	<u>350,000</u>	<u>(804,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 722,700</u>	<u>\$ 722,700</u>	<u>\$ 98,855</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 722,700		\$ 98,855
Budgetary appropriations – capital		867,400		457,191
Budgetary appropriations – debt principal		2,910,306		2,836,377
Depreciation		(3,892,751)		(3,943,050)
Amortization of bond premium and discount		62,695		62,695
Amortization of deferred loss on refundings		(70,872)		(70,872)
Intra-fund transfers		300,000		804,000
Changes in accrued interest payable		35,403		69,109
Changes in unrealized gains/losses on investments		(664)		681
Changes in OPEB liability		(115,010)		(158,463)
Pension expense		(34,641)		-
Deferred pension contributions		353,211		-
Revenue recognized in capital projects		170,831		168,932
Total reconciling items		<u>585,908</u>		<u>226,600</u>
Changes in net position		<u>\$ 1,308,608</u>		<u>\$ 325,455</u>

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule F-3

## SEWER OPERATING FUND – MAJOR ENTERPRISE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) –

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Operating Revenues:				
Rates and charges	\$ 18,795,060	\$ 18,896,038	\$ 100,978	\$ 17,539,513
Fees and charges	314,635	280,526	(34,109)	329,446
Miscellaneous	98,752	111,569	12,817	101,204
Total operating revenues	<u>19,208,447</u>	<u>19,288,133</u>	<u>79,686</u>	<u>17,970,163</u>
<b>Non-Operating Revenues:</b>				
Interest on investments	25,120	31,999	6,879	17,923
Miscellaneous	29,589	50,805	21,216	35,026
Total non-operating revenues	<u>54,709</u>	<u>82,804</u>	<u>28,095</u>	<u>52,949</u>
Total revenues	<u>19,263,156</u>	<u>19,370,937</u>	<u>107,781</u>	<u>18,023,112</u>
<b>Expenditures:</b>				
Sewer Fund				
Maintenance and repairs		1,389,641		1,077,259
Other operating expenses		9,878,639		9,708,586
Capital outlay		988,308		565,937
Debt service		6,367,411		6,291,586
Total expenditures	<u>18,663,156</u>	<u>18,623,999</u>	<u>39,157</u>	<u>17,643,368</u>
Excess of revenues over (under) expenditures	<u>600,000</u>	<u>746,938</u>	<u>146,938</u>	<u>379,744</u>
<b>Other Financing Sources (Uses):</b>				
Intra-fund transfers	<u>(600,000)</u>	<u>(300,000)</u>	<u>300,000</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>(600,000)</u>	<u>(300,000)</u>	<u>300,000</u>	<u>(300,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 446,938</u>	<u>\$ 446,938</u>	<u>\$ 79,744</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over (under) expenditures		\$ 446,938		\$ 79,744
Budgetary appropriations - capital		988,308		565,937
Budgetary appropriations - debt principal		4,646,312		4,591,850
Depreciation		(4,863,901)		(4,992,943)
Amortization of bond premium and discount		28,620		28,620
Amortization of deferred loss on refundings		(42,324)		(42,324)
Capitalization of bond interest		-		339,101
Changes in accrued interest payable		8,988		(18,462)
Changes in unrealized gains/losses on investments		(730)		816
Intra-fund transfers		300,000		300,000
Changes in OPEB liability		(112,806)		(161,959)
Pension expense		(33,013)		-
Deferred pension contributions		336,612		-
Revenue recognized in capital projects		222,690		373,931
Total reconciling items		<u>1,478,756</u>		<u>984,567</u>
Changes in net position		<u>\$ 1,925,694</u>		<u>\$ 1,064,311</u>

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule F-4

## GAS OPERATING FUND – MAJOR ENTERPRISE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) –

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Operating Revenues:				
Rates and charges	\$ 37,917,503	\$ 36,342,568	\$ (1,574,935)	\$ 35,181,326
Fees and charges	144,241	139,335	(4,906)	136,379
Miscellaneous	81,279	96,432	15,153	97,094
Total operating revenues	<u>38,143,023</u>	<u>36,578,335</u>	<u>(1,564,688)</u>	<u>35,414,799</u>
Non-Operating Revenues:				
Interest on investments	61,850	74,173	12,323	47,420
Miscellaneous	83,930	109,851	25,921	65,971
Total non-operating revenues	<u>145,780</u>	<u>184,024</u>	<u>38,244</u>	<u>113,391</u>
Total revenues	<u>38,288,803</u>	<u>36,762,359</u>	<u>(1,526,444)</u>	<u>35,528,190</u>
<b>Expenditures:</b>				
Gas Fund				
Maintenance and repairs		548,509		386,070
Other operating expenses		30,760,014		31,322,916
Capital outlay		1,417,650		740,166
Debt service		1,391,034		1,389,663
Total expenditures	<u>37,788,803</u>	<u>34,117,207</u>	<u>3,671,596</u>	<u>33,838,815</u>
Excess of revenues over (under) expenditures	<u>500,000</u>	<u>2,645,152</u>	<u>2,145,152</u>	<u>1,689,375</u>
<b>Other Financing Sources (Uses):</b>				
Contributed Capital	-	1,800	1,800	-
Intrafund transfers	(500,000)	(1,500,000)	(1,000,000)	(1,500,000)
Total other financing sources (uses)	<u>(500,000)</u>	<u>(1,498,200)</u>	<u>(998,200)</u>	<u>(1,500,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,146,952</u>	<u>\$ 1,146,952</u>	<u>\$ 189,375</u>
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ 1,146,952		\$ 189,375
Budgetary appropriations – capital		1,417,650		740,166
Budgetary appropriations – debt principal		1,174,310		1,137,342
Depreciation		(1,705,787)		(1,648,696)
Amortization of bond premium and discount		7,351		7,350
Amortization of deferred loss on refundings		(34,713)		(34,713)
Changes in accrued interest payable		9,777		9,226
Changes in unrealized gains/losses on investments		(5,233)		3,837
Intrafund transfers		1,500,000		1,500,000
Changes in OPEB liability		(99,661)		(137,167)
Pension expense		(29,221)		-
Deferred pension contributions		297,950		-
Revenue recognized in capital projects		13,201		12,200
Total reconciling items		<u>2,545,624</u>		<u>1,589,545</u>
Changes in net position		<u>\$ 3,692,576</u>		<u>\$ 1,778,920</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF FUND NET POSITION**

**Schedule F-5**

JUNE 30, 2015

	<u>Public Transportation Fund</u>	<u>Stormwater Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents	\$ 693,763	\$ 1,957,293	\$ 67,769	\$ 2,718,825
Accounts receivable, net	7,694	657,191	1,165,327	1,830,212
Prepaid items	350	-	12,000	12,350
Total current assets	<u>701,807</u>	<u>2,614,484</u>	<u>1,245,096</u>	<u>4,561,387</u>
Non-Current Assets:				
Net pension asset restricted	87,104	130,657	217,761	435,522
Land and construction in progress	-	59,815	-	59,815
Other capital assets, net of depreciation	1,382,415	7,605,572	119	8,988,106
Total non-current assets	<u>1,469,519</u>	<u>7,796,044</u>	<u>217,880</u>	<u>9,483,443</u>
 Total assets	 <u>2,171,326</u>	 <u>10,410,528</u>	 <u>1,462,976</u>	 <u>14,044,830</u>
 Deferred outflows of resources	 <u>53,697</u>	 <u>80,545</u>	 <u>134,242</u>	 <u>268,484</u>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	57,227	470,507	294,339	822,073
Current portion of compensated absences	26,247	-	122,837	149,084
Current maturities of long-term debt	-	194,534	96,428	290,962
Total current liabilities	<u>83,474</u>	<u>665,041</u>	<u>513,604</u>	<u>1,262,119</u>
Non-Current Liabilities:				
Non-current portion of compensated absences	11,248	-	52,642	63,890
Non-current portion of other post-employment benefits	354,034	413,039	1,042,432	1,809,505
Non-current portion of long-term debt	-	3,818,456	533,572	4,352,028
Total non-current liabilities	<u>365,282</u>	<u>4,231,495</u>	<u>1,628,646</u>	<u>6,225,423</u>
 Total liabilities	 <u>448,756</u>	 <u>4,896,536</u>	 <u>2,142,250</u>	 <u>7,487,542</u>
 Deferred inflow of resources	 <u>218,622</u>	 <u>327,934</u>	 <u>546,556</u>	 <u>1,093,112</u>
<b>Net Position:</b>				
Net investment in capital assets	1,382,415	3,652,397	119	5,034,931
Unrestricted	175,230	1,614,206	(1,091,707)	697,729
Total net position	<u>\$ 1,557,645</u>	<u>\$ 5,266,603</u>	<u>\$ (1,091,588)</u>	<u>\$ 5,732,660</u>

## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2015

	Transportation Fund	Stormwater Utility Fund	Sanitation Fund	Total
<b>Operating Revenues:</b>				
Changes for services	\$ 319,129	\$ 4,354,309	\$ 7,111,323	\$ 11,784,761
Other operating revenues	83,067	-	92,912	175,979
Total operating revenue	<u>402,196</u>	<u>4,354,309</u>	<u>7,204,235</u>	<u>11,960,740</u>
<b>Operating Expenses:</b>				
Administrative and general	60,869	-	-	60,869
Operations and maintenance	3,038,609	5,436,126	6,783,089	15,257,824
Depreciation and amortization	305,234	127,641	-	432,875
Total operating expenses	<u>3,404,712</u>	<u>5,563,767</u>	<u>6,783,089</u>	<u>15,751,568</u>
Operating income (loss)	<u>(3,002,516)</u>	<u>(1,209,458)</u>	<u>421,146</u>	<u>(3,790,828)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment earnings	-	-	-	-
Federal grants	804,118	-	-	804,118
Loss on disposal of capital assets	(939)	(88,655)	(144,892)	(234,486)
Interest expense	-	(184,257)	(12,991)	(197,248)
Total non-operating revenue (expenses)	<u>803,179</u>	<u>(272,912)</u>	<u>(157,883)</u>	<u>372,384</u>
Income (Loss) Before Contributions and Transfers	<u>(2,199,337)</u>	<u>(1,482,370)</u>	<u>263,263</u>	<u>(3,418,444)</u>
<b>Transfers In (Out) and Capital Contributions:</b>				
Capital contributions	2,239,551	255,858	7,500	2,502,909
Transfers to other funds	-	(10,000)	-	(10,000)
Transfers from other funds	711,443	-	-	711,443
Total transfers in (out) and capital contributions:	<u>2,950,994</u>	<u>245,858</u>	<u>7,500</u>	<u>3,204,352</u>
Change in net position	751,657	(1,236,512)	270,763	(214,092)
Net position, beginning of year – July 1, previously reported	933,630	6,694,579	(1,043,245)	6,584,964
Restatement	(127,642)	(191,464)	(319,106)	(638,212)
Net position, beginning of year – July 1, as restated	<u>805,988</u>	<u>6,503,115</u>	<u>(1,362,351)</u>	<u>5,946,752</u>
Net position, end of year – June 30	<u>\$ 1,557,645</u>	<u>\$ 5,266,603</u>	<u>\$ (1,091,588)</u>	<u>\$ 5,732,660</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**

**Schedule F-7**

YEAR ENDED JUNE 30, 2015

	<b>Public Transportation Fund</b>	<b>Stormwater Utility Fund</b>	<b>Sanitation Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 651,161	\$ 4,245,333	\$ 7,072,703	\$ 11,969,197
Cash paid to vendors	(1,996,081)	(3,848,080)	(3,462,227)	(9,306,388)
Cash paid to employees	(1,129,639)	(1,463,126)	(3,184,229)	(5,776,994)
Net cash provided (used) by operating activities	<u>(2,474,559)</u>	<u>(1,065,873)</u>	<u>426,247</u>	<u>(3,114,185)</u>
<b>Cash From Non-Capital Financing Activities:</b>				
Repayments to/from other funds	-	-	(667,987)	(667,987)
Transfers from other funds	711,443	-	-	711,443
Transfers to other funds	-	(10,000)	-	(10,000)
Net cash provided (used) by non-capital financing activities	<u>711,443</u>	<u>(10,000)</u>	<u>(667,987)</u>	<u>33,456</u>
<b>Cash From Capital and Related Financing Activities:</b>				
Repayment of principal of long-term debt	-	(194,532)	(45,000)	(239,532)
Proceeds from issuance of debt	-	-	360,000	360,000
Interest paid	-	(184,257)	(12,991)	(197,248)
Capital contributions	2,242,553	255,858	7,500	2,505,911
Acquisition and construction of capital assets	(2)	(227,745)	-	(227,747)
Net cash provided (used) by capital and related financing activities	<u>2,242,551</u>	<u>(350,676)</u>	<u>309,509</u>	<u>2,201,384</u>
Net increase (decrease) in cash and cash equivalents	479,435	(1,426,549)	67,769	(879,345)
<b>Cash and Cash Equivalents:</b>				
Beginning of year – July 1	<u>214,328</u>	<u>3,383,842</u>	<u>-</u>	<u>3,598,170</u>
End of year – June 30	<u>\$ 693,763</u>	<u>\$ 1,957,293</u>	<u>\$ 67,769</u>	<u>\$ 2,718,825</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (3,002,516)	\$ (1,209,458)	\$ 421,146	\$ (3,790,828)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	305,234	127,641	-	432,875
Pension expense	3,876	5,813	9,689	19,378
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	248,965	(108,976)	(131,532)	8,457
(Increase) decrease in prepaids	-	-	(6,000)	(6,000)
(Increase) in deferred outflow of resources	(53,697)	(80,545)	(134,242)	(268,484)
Increase (decrease) in accounts payable	(10,964)	326,483	148,173	463,692
Increase (decrease) in compensated absences payable	(6,018)	-	16,999	10,981
Increase (decrease) in OPEB liability	40,561	(126,831)	102,014	15,744
Net cash provided (used) by operating activities	<u>\$ (2,474,559)</u>	<u>\$ (1,065,873)</u>	<u>\$ 426,247</u>	<u>\$ (3,114,185)</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Capital contribution	\$ 801,116	\$ -	\$ -	\$ 801,116
Total non-cash investing, capital, and financing activities	<u>\$ 801,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,116</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**Schedule F-8**

**PUBLIC TRANSPORTATION – NONMAJOR ENTERPRISE FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)**

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Positive/ Negative	Actual
<b>Revenues:</b>				
Charges for services	\$ 368,379	\$ 319,129	\$ (49,250)	\$ 329,857
Public transportation planning and operating grants	2,166,223	3,043,669	877,446	1,425,349
Other operating revenues	238	83,067	82,829	465
Total operating revenue	<u>2,534,840</u>	<u>3,445,865</u>	<u>911,025</u>	<u>1,755,671</u>
<b>Expenditures:</b>				
Administrative and general	213,518	60,869	(152,649)	126,758
Operations and maintenance	996,867	736,987	(259,880)	659,929
Salaries and benefits	1,036,639	1,114,361	77,722	1,003,070
Capital outlay	<u>2,249,845</u>	<u>2,071,804</u>	<u>(178,041)</u>	<u>474,773</u>
Total operating expenses	<u>4,496,869</u>	<u>3,984,021</u>	<u>512,848</u>	<u>2,264,530</u>
Revenues over (under) expenditures	<u>(1,962,029)</u>	<u>(538,156)</u>	<u>1,423,873</u>	<u>(508,859)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	1,299,921	-	(1,299,921)	-
Transfers to other funds	(49,335)	-	49,335	-
Transfers from General Fund	<u>711,443</u>	<u>711,443</u>	<u>-</u>	<u>214,889</u>
Total other financing sources (uses)	<u>1,962,029</u>	<u>711,443</u>	<u>(1,250,586)</u>	<u>214,889</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>173,287</u>	<u>\$ 173,287</u>	<u>\$ (293,970)</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Depreciation		(305,234)		(195,925)
Loss on disposal of capital assets		(939)		-
Capital outlay		800,179		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		53,697		-
Pension expense		(3,876)		-
Change in OPEB liability		40,561		479
Change in accrued compensated absences		(6,018)		1,316
Change in net position		<u>\$ 751,657</u>		<u>\$ (488,100)</u>

## CITY OF GREENVILLE, NORTH CAROLINA

Schedule F-9

## STORMWATER UTILITY FUND – NONMAJOR ENTERPRISE FUNDS

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Positive/ Negative	Actual
<b>Revenues:</b>				
Charges for services	\$ 4,303,401	\$ 4,354,309	\$ 50,908	\$ 3,670,013
Total operating revenues	<u>4,303,401</u>	<u>4,354,309</u>	<u>50,908</u>	<u>3,670,013</u>
<b>Expenditures:</b>				
Operations and maintenance	1,619,673	432,004	(1,187,669)	403,209
Salaries and benefits	1,354,989	1,261,563	(93,426)	1,602,482
Capital outlay	1,135,493	116,439	(1,019,054)	134,342
Retirement of long-term debt	-	194,534	194,534	196,539
Interest paid	378,793	184,257	(194,536)	192,079
Indirect cost reimbursement	406,056	406,056	-	265,531
Total operating expenses	<u>4,895,004</u>	<u>2,594,853</u>	<u>2,300,151</u>	<u>2,794,182</u>
Revenues over (under) expenditures	<u>(591,603)</u>	<u>1,759,456</u>	<u>2,351,059</u>	<u>875,831</u>
<b>Other Financing Sources (Uses):</b>				
Capital contributions	-	167,930	167,930	-
Transfer to other funds	(257,515)	(257,515)	-	(3,675,669)
Transfers from other funds	-	-	-	1,243
Appropriated fund balance	849,118	-	(849,118)	-
Total other financing sources (uses)	<u>591,603</u>	<u>(89,585)</u>	<u>(681,188)</u>	<u>(3,674,426)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,669,871</u>	<u>\$ 1,669,871</u>	<u>\$ (2,798,595)</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Depreciation		(127,641)		(9,798)
Loss on disposal of capital assets		(88,655)		-
Transfer from capital projects		-		(1,243)
Transfer to capital projects		247,515		3,675,669
Deferred outflows of resources for contributions made to pension plan in current fiscal year		80,545		-
Pension expense		(5,813)		-
Capital project interest earnings		-		1,051
Capital contributions - capital project funds grant revenue		87,928		-
Non-capitalizable expense from capital projects		(3,307,055)		(427,900)
Capital outlay		139,090		118,024
Change in OPEB liability		(126,831)		(27,633)
Payment of debt principal		194,534		196,539
Change in net position		<u>\$ (1,236,512)</u>		<u>\$ 726,114</u>

STORMWATER DRAINAGE MAINTENANCE CAPITAL PROJECT – NONMAJOR ENTERPRISE FUNDS  
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 156	\$ -	\$ 156
Total revenues	<u>-</u>	<u>156</u>	<u>-</u>	<u>156</u>
<b>Expenditures:</b>				
Stormwater drainage projects	199,828	124,611	24,392	149,003
Total expenditures	<u>199,828</u>	<u>124,611</u>	<u>24,392</u>	<u>149,003</u>
Revenues over (under) expenditures	<u>(199,828)</u>	<u>(124,455)</u>	<u>(24,392)</u>	<u>(148,847)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(1,081,172)	(1,081,172)	-	(1,081,172)
Transfers from other funds	1,281,000	1,281,000	-	1,281,000
Total other financing sources (uses)	<u>199,828</u>	<u>199,828</u>	<u>-</u>	<u>199,828</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 75,373</u>	<u>\$ (24,392)</u>	<u>\$ 50,981</u>

TOWN CREEK CULVERT STORMWATER CAPITAL PROJECT – NONMAJOR ENTERPRISE FUNDS  
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Expenditures:</b>				
Stormwater drainage projects	\$ 10,091,908	\$ 425,669	\$ 691,745	\$ 1,117,414
Total expenditures	<u>10,091,908</u>	<u>425,669</u>	<u>691,745</u>	<u>1,117,414</u>
 Revenues over (under) expenditures	 <u>(10,091,908)</u>	 <u>(425,669)</u>	 <u>(691,745)</u>	 <u>(1,117,414)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	9,959,308	-	-	-
Contingency	(1,012,500)	-	-	-
Loss on sale of capital assets	-	-	-	-
Transfers from other funds	<u>1,145,100</u>	<u>425,669</u>	<u>-</u>	<u>425,669</u>
Total other financing sources (uses)	<u>10,091,908</u>	<u>425,669</u>	<u>-</u>	<u>425,669</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (691,745)</u>	 <u>\$ (691,745)</u>

WATERSHED REPLACEMENT STORMWATER CAPITAL PROJECT – NONMAJOR ENTERPRISE FUNDS  
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Expenditures:</b>				
Stormwater drainage projects	\$ 3,643,005	\$ 17	\$ 2,615,310	\$ 2,615,327
Total expenditures	<u>3,643,005</u>	<u>17</u>	<u>2,615,310</u>	<u>2,615,327</u>
Revenues over (under) expenditures	<u>(3,643,005)</u>	<u>(17)</u>	<u>(2,615,310)</u>	<u>(2,615,327)</u>
<b>Other Financing Sources (Uses):</b>				
Capital contributions	195,490	-	87,928	87,928
Transfers from other funds	3,447,515	3,200,000	247,515	3,447,515
Total other financing sources (uses)	<u>3,643,005</u>	<u>3,200,000</u>	<u>335,443</u>	<u>3,535,443</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,199,983</u>	<u>\$ (2,279,867)</u>	<u>\$ 920,116</u>

## CITY OF GREENVILLE, NORTH CAROLINA

## Schedule F-13

## SANITATION FUND – NONMAJOR ENTERPRISE FUNDS

## SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2014

	2015		Variance Positive/ Negative	2014
	Budget	Actual		Actual
<b>Operating Revenues:</b>				
Charges for services	\$ 7,364,314	\$ 7,111,323	\$ (252,991)	\$ 6,738,722
Grant revenue	12,000	7,500	(4,500)	70,624
Investment earnings	-	-	-	20
Other revenue	198,500	92,912	(105,588)	75,664
Total operating revenues	<u>7,574,814</u>	<u>7,211,735</u>	<u>(363,079)</u>	<u>6,885,030</u>
<b>Operating Expenditures:</b>				
Operations and maintenance	3,211,594	2,377,775	(833,819)	2,699,961
Salaries and benefits	3,147,411	3,178,689	31,278	3,585,621
Capital outlay	716,040	608,034	(108,006)	556,089
Interest paid	53,456	12,991	(40,465)	-
Indirect cost reimbursement	862,157	862,157	-	749,041
Total operating expenses	<u>7,990,658</u>	<u>7,039,646</u>	<u>(951,012)</u>	<u>7,590,712</u>
Revenues over (under) expenditures	<u>(415,844)</u>	<u>172,089</u>	<u>587,933</u>	<u>(705,682)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	45,844	-	(45,844)	-
Long-term debt issued	370,000	360,000	(10,000)	315,000
Payment of debt principal	-	(45,000)	(45,000)	-
Transfers from General Fund	-	-	-	373,598
Transfers to General Fund	-	-	-	(104,920)
Total other financing sources (uses)	<u>415,844</u>	<u>315,000</u>	<u>(100,844)</u>	<u>583,678</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>487,089</u>	<u>\$ 487,089</u>	<u>(122,004)</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Depreciation		-		(48,590)
Loss on disposal of capital assets		(144,892)		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		134,242		-
Pension expense		(9,689)		-
Installment note proceeds		(360,000)		(315,000)
Payment of debt principal		45,000		-
Change in accrued compensation absences		16,999		38,894
Change in OPEB liability		102,014		166,674
Capital outlay		-		75,392
Change in net position		<u>\$ 270,763</u>		<u>\$ (204,634)</u>



# INTERNAL SERVICE FUNDS

FY 2015 Comprehensive Annual Financial Report

## Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

**Vehicle Replacement Fund** - established to account for financing the City's replacement vehicles and certain capital equipment greater than or equal to \$5,000.

**Health Insurance Fund** - established to account for the self-insured financing of the City's health insurance program.

**Fleet Maintenance Fund** - established to account for financing the City's fleet maintenance costs.

**Facility Improvement Fund** - established to account for funds used to improve and extend the lives of City facilities.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF FUND NET POSITION**

**Schedule G-1**

JUNE 30, 2015

	<b>Vehicle Replacement Fund</b>	<b>Health Insurance Fund</b>	<b>Fleet Maintenance Fund</b>	<b>Facilities Improvement Fund</b>	<b>Total</b>
<b>Assets:</b>					
Current Assets:					
Cash, cash equivalents, and investments	\$ 6,289,041	\$ -	\$ -	\$ 932,870	\$ 7,221,911
Accounts receivable	-	142,484	-	-	142,484
Due from other funds	-	1,764	333	-	2,097
Prepaid items	-	-	148,131	-	148,131
Due from other governments	-	1,285	663,535	4,033	668,853
Restricted cash, cash equivalents, and investments	-	5,671,599	-	-	5,671,599
<b>Total current assets</b>	<b>6,289,041</b>	<b>5,817,132</b>	<b>811,999</b>	<b>936,903</b>	<b>13,855,075</b>
Non-Current Assets:					
Net pension asset restricted	-	-	87,104	-	87,104
Construction in process	-	-	-	219,953	219,953
Other capital assets, net	7,713,007	-	-	512,599	8,225,606
<b>Total assets</b>	<b>14,002,048</b>	<b>5,817,132</b>	<b>899,103</b>	<b>1,669,455</b>	<b>22,387,738</b>
Deferred outflows of resources	-	-	53,697	-	53,697
<b>Liabilities:</b>					
Current Liabilities:					
Accounts payable	536,334	1,745,207	68,545	144,239	2,494,325
Due to other funds	-	207,031	1,850,189	-	2,057,220
<b>Total current liabilities</b>	<b>536,334</b>	<b>1,952,238</b>	<b>1,918,734</b>	<b>144,239</b>	<b>4,551,545</b>
Deferred inflow of resources	-	-	218,622	-	218,622
<b>Net Position:</b>					
Net investment in capital assets	7,713,007	-	-	732,552	8,445,559
Unrestricted	5,752,707	3,864,894	(1,184,556)	792,664	9,225,709
<b>Total net position</b>	<b>\$ 13,465,714</b>	<b>\$ 3,864,894</b>	<b>\$ (1,184,556)</b>	<b>\$ 1,525,216</b>	<b>\$ 17,671,268</b>

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2015

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
<b>Operating Revenues:</b>					
Charges for services	\$ 2,635,322	\$ 12,336,663	\$ 3,575,631	\$ -	\$ 18,547,616
Other operating revenues	219,488	-	-	-	219,488
Total operating revenues	<u>2,854,810</u>	<u>12,336,663</u>	<u>3,575,631</u>	<u>-</u>	<u>18,767,104</u>
<b>Operating Expenses:</b>					
Administration	-	677,570	-	-	677,570
Operations and maintenance	176,690	-	2,726,938	20,218	2,923,846
Capital outlay	-	-	-	-	-
Salaries and benefits	-	-	1,347,555	-	1,347,555
Depreciation	2,830,251	-	-	-	2,830,251
Claims and payments to third party administrators	-	10,961,277	-	-	10,961,277
Total operating expenses	<u>3,006,941</u>	<u>11,638,847</u>	<u>4,074,493</u>	<u>20,218</u>	<u>18,740,499</u>
Operating Income (Loss) Before Contributions and Transfers	<u>(152,131)</u>	<u>697,816</u>	<u>(498,862)</u>	<u>(20,218)</u>	<u>26,605</u>
<b>Transfers In (Out) and Capital Contributions:</b>					
Transfers to other funds	(926,867)	-	-	-	(926,867)
Transfers from other funds	-	-	-	1,545,434	1,545,434
Total transfers in (out) and capital contributions	<u>(926,867)</u>	<u>-</u>	<u>-</u>	<u>1,545,434</u>	<u>618,567</u>
Change in net position	<u>(1,078,998)</u>	<u>697,816</u>	<u>(498,862)</u>	<u>1,525,216</u>	<u>645,172</u>
<b>Net Position:</b>					
Beginning of year - July 1	14,544,712	3,167,078	(558,052)	-	17,153,738
Restatement	-	-	(127,642)	-	(127,642)
Beginning of year - restated	<u>14,544,712</u>	<u>3,167,078</u>	<u>(685,694)</u>	<u>-</u>	<u>17,026,096</u>
End of year - June 30	<u>\$ 13,465,714</u>	<u>\$ 3,864,894</u>	<u>\$ (1,184,556)</u>	<u>\$ 1,525,216</u>	<u>\$ 17,671,268</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**

**Schedule G-3**

YEAR ENDED JUNE 30, 2015

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
<b>Cash Flows From Operating Activities:</b>					
Cash received from customers	\$ 3,376,564	\$ 12,352,790	\$ 3,177,642	\$ -	\$ 18,906,996
Cash paid to vendors	(176,690)	(11,999,678)	(2,799,219)	(24,251)	(14,999,838)
Cash paid to employees	-	-	(1,447,197)	-	(1,447,197)
Net cash provided by (used) operating activities	<u>3,199,874</u>	<u>353,112</u>	<u>(1,068,774)</u>	<u>(24,251)</u>	<u>2,459,961</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Transfers to other funds	-	-	-	1,545,434	1,545,434
Advances from other funds	-	(1,764)	(333)	-	(2,097)
Advances to other funds	-	207,031	1,069,107	-	1,276,138
Net cash provided by non-capital financing activities	<u>-</u>	<u>205,267</u>	<u>1,068,774</u>	<u>1,545,434</u>	<u>2,819,475</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	<u>(3,158,067)</u>	<u>-</u>	<u>-</u>	<u>(588,313)</u>	<u>(3,746,380)</u>
Net cash used by capital and related financing activities	<u>(3,158,067)</u>	<u>-</u>	<u>-</u>	<u>(588,313)</u>	<u>(3,746,380)</u>
Net increase in cash and cash equivalents	41,807	558,379	-	932,870	1,533,056
<b>Cash and Cash Equivalents</b>					
Beginning of year - July 1	<u>6,247,234</u>	<u>5,113,220</u>	<u>-</u>	<u>-</u>	<u>11,360,454</u>
End of year - June 30	<u>\$ 6,289,041</u>	<u>\$ 5,671,599</u>	<u>\$ -</u>	<u>\$ 932,870</u>	<u>\$ 12,893,510</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ (152,131)	\$ 697,816	\$ (498,862)	\$ (20,218)	\$ 26,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,830,251	-	-	-	2,830,251
Pension expense	-	-	3,876	-	3,876
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	12,555	(655,788)	(4,033)	(647,266)
(Increase) in deferred outflow of resources	-	-	(53,697)	-	(53,697)
(Increase) decrease in due from other government	-	3,572	257,799	-	261,371
Increase (decrease) in accounts payable	<u>521,754</u>	<u>(360,831)</u>	<u>(122,102)</u>	<u>-</u>	<u>38,821</u>
Net cash provided (used) by operating activities	<u>\$ 3,199,874</u>	<u>\$ 353,112</u>	<u>\$ (1,068,774)</u>	<u>\$ (24,251)</u>	<u>\$ 2,459,961</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Transfer of capital assets to governmental activities	\$ 926,867	\$ -	\$ -	\$ -	\$ 926,867
Purchase of capital assets in accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,239</u>	<u>144,239</u>
Total non-cash investing, capital, and financing activities	<u>\$ 926,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,239</u>	<u>\$ 1,071,106</u>

## VEHICLE REPLACEMENT – INTERNAL SERVICE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – FINANCIAL PLAN AND ACTUAL (NON-GAAP)

YEAR ENDED JUNE 30, 2015

	2015		Variance Positive/ Negative
	Financial Plan	Actual	
<b>Operating Revenues:</b>			
Charges for services	\$ 2,635,122	\$ 2,635,322	\$ 200
Other operating revenues	-	219,488	219,488
Total operating revenues	<u>2,635,122</u>	<u>2,854,810</u>	<u>219,688</u>
<b>Operating Expenditures:</b>			
Capital outlay	<u>4,305,695</u>	<u>3,334,759</u>	<u>970,936</u>
Total operating expenditures			
Revenues over (under) expenditures	<u>(1,670,573)</u>	<u>(479,949)</u>	<u>1,190,624</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>1,670,573</u>	-	<u>(1,670,573)</u>
Total other financing sources (uses)	<u>1,670,573</u>	-	<u>(1,670,573)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(479,949)</u>	<u>\$ (479,949)</u>
<b>Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:</b>			
Depreciation		(2,830,251)	
Transfer of capital assets to general fund		(926,867)	
Capital outlay		<u>3,158,069</u>	
Change in net position		<u>\$ (1,078,998)</u>	

**CITY OF GREENVILLE, NORTH CAROLINA**

**Schedule G-5**

HEALTH INSURANCE – INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES – FINANCIAL PLAN AND ACTUAL (NON-GAAP)

YEAR ENDED JUNE 30, 2015

	<b>2015</b>		<b>Variance Positive/ Negative</b>
	<b>Financial Plan</b>	<b>Actual</b>	
<b>Operating Revenues:</b>			
Charges for services	\$ 13,105,338	\$ 12,336,663	\$ (768,675)
Total operating revenues	<u>13,105,338</u>	<u>12,336,663</u>	<u>(768,675)</u>
<b>Operating Expenditures:</b>			
Administration	717,698	677,570	(40,128)
Contingency	909,713	-	(909,713)
Payment to third party administrator	<u>11,477,927</u>	<u>10,961,277</u>	<u>(516,650)</u>
Total operating expenditures	<u>13,105,338</u>	<u>11,638,847</u>	<u>1,466,491</u>
Revenues over (under) expenditures	<u>-</u>	<u>697,816</u>	<u>697,816</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>697,816</u>	<u>\$ 697,816</u>
<b>Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual</b>		<u>-</u>	
Change in net position		<u>\$ 697,816</u>	

## FLEET MAINTENANCE – INTERNAL SERVICE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES – FINANCIAL PLAN AND ACTUAL (NON-GAAP)

YEAR ENDED JUNE 30, 2015

	2015		Variance Positive/ Negative
	Financial Plan	Actual	
<b>Operating Revenues:</b>			
Charges for services	\$ 4,485,445	\$ 3,575,631	\$ (909,814)
Total operating revenues	<u>4,485,445</u>	<u>3,575,631</u>	<u>(909,814)</u>
<b>Operating Expenditures:</b>			
Salaries and benefits	1,363,854	1,397,376	33,522
Operating and maintenance	3,296,973	2,719,780	(577,193)
Capital outlay	12,000	7,158	(4,842)
Total operating expenditures	<u>4,672,827</u>	<u>4,124,314</u>	<u>548,513</u>
Revenues over (under) expenditures	<u>(187,382)</u>	<u>(548,683)</u>	<u>(361,301)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	193,382	-	(193,382)
Transfer to other funds	<u>(6,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>187,382</u>	<u>-</u>	<u>(193,382)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (548,683)</u>	<u>\$ (554,683)</u>
<b>Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:</b>			
Deferred outflows of resources for contributions made to pension plan in current fiscal year		53,697	
Pension expense		<u>(3,876)</u>	
Change in net position		<u>\$ (498,862)</u>	

**CITY OF GREENVILLE, NORTH CAROLINA**

**FACILITIES IMPROVEMENT – INTERNAL SERVICE FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES – FINANCIAL PLAN AND ACTUAL (NON-GAAP)**

YEAR ENDED JUNE 30, 2015

	<b>2015</b>		<b>Variance Positive/ Negative</b>
	<b>Financial Plan</b>	<b>Actual</b>	
<b>Operating Revenues:</b>			
Charges for services	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating Expenditures:</b>			
Capital outlay	1,545,434	752,770	(792,664)
Total operating expenditures	<u>1,545,434</u>	<u>752,770</u>	<u>792,664</u>
Revenues over (under) expenditures	<u>(1,545,434)</u>	<u>(752,770)</u>	<u>792,664</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	1,545,434	1,545,434	-
Total other financing sources (uses)	<u>1,545,434</u>	<u>1,545,434</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 792,664</u>	<u>\$ 792,664</u>
<b>Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:</b>			
Capital outlay		<u>732,552</u>	
Change in net position		<u>\$ 1,525,216</u>	



# STATISTICAL SECTION

FY 2015 Comprehensive Annual Financial Report

## Statistical Section

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

**Financial Trends Information** - These schedules contain trend information intended to help the reader understand how the City's financial position has changed over time.

**Revenue Capacity Information** - These schedules contain information intended to help the reader assess the City's most significant revenue sources, tax collections, and Greenville Utilities Commission's revenue base.

**Debt Capacity Information** - These schedules present information intended to assist users in understanding and assessing the City's current levels of outstanding debt and the ability to issue additional debt.

**Demographic and Economic Information** - These schedules provide demographic and economic indicators intended to help the reader understand the socio-economic environment within which the City's financial activities take place.

Notes at the bottom of charts and tables will indicate when the data amounts provided are in thousands. In some cases, notes will also indicate whether the data is based on the Accrual or Modified Accrual Basis of Accounting.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**

**Table 1**

*Last Ten Fiscal Years*

	<u>2006</u>	<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>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 83,851	\$ 81,844	\$ 89,239	\$ 98,830	\$ 119,789	\$ 132,450	\$ 136,640	\$ 140,382	\$ 144,769	\$ 154,684
Restricted	-	-	-	-	2,927	-	-	-	-	-
Stabilization of State Statute	-	-	-	-	-	7,331	8,998	7,590	8,228	13,594
Restricted for Streets	1,223	1,572	2,889	2,053	-	-	-	2,629	2,296	2,236
General Government	-	-	-	-	-	-	-	-	84	76
Economic Development	-	-	-	-	-	-	-	-	-	56
Transportation	-	-	-	-	-	2,540	1,838	-	-	-
Public Safety	-	-	-	-	-	-	-	560	706	821
Cultural and Recreational	-	-	-	-	-	-	-	101	102	102
Other	-	-	-	-	-	819	6,175	-	-	-
Unrestricted	40,333	49,998	42,823	44,182	30,243	24,196	18,142	36,640	36,849	23,638
<b>Total Governmental activities net position</b>	<b>\$ 125,407</b>	<b>\$ 133,414</b>	<b>\$ 134,951</b>	<b>\$ 145,065</b>	<b>\$ 152,959</b>	<b>\$ 167,336</b>	<b>\$ 171,793</b>	<b>\$ 187,902</b>	<b>\$ 193,034</b>	<b>\$ 195,207</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 207,485	\$ 219,968	\$ 229,538	\$ 235,068	\$ 241,246	\$ 239,156	\$ 242,482	\$ 251,120	\$ 258,006	\$ 277,248
Restricted	-	-	-	-	-	-	-	-	-	-
Stabilization of State Statute	-	-	-	-	-	-	-	-	-	-
Restricted for Streets	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unrestricted	54,312	61,850	64,285	63,578	68,260	79,687	81,410	81,243	80,345	70,155
<b>Total business-type activities net assets</b>	<b>\$ 261,797</b>	<b>\$ 281,818</b>	<b>\$ 293,823</b>	<b>\$ 298,646</b>	<b>\$ 309,506</b>	<b>\$ 318,843</b>	<b>\$ 323,892</b>	<b>\$ 332,363</b>	<b>\$ 338,351</b>	<b>\$ 347,403</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 291,336	\$ 301,812	\$ 318,777	\$ 333,898	\$ 361,035	\$ 371,606	\$ 379,122	\$ 391,502	\$ 402,775	\$ 431,932
Restricted	-	-	-	-	2,927	-	-	-	-	-
Stabilization of State Statute	-	-	-	-	-	7,331	8,998	7,590	8,228	13,594
Restricted for Streets	1,223	1,572	2,889	2,053	-	-	-	2,629	2,296	2,236
General Government	-	-	-	-	-	-	-	-	84	76
Economic Development	-	-	-	-	-	-	-	-	-	56
Transportation	-	-	-	-	-	2,540	1,838	-	-	-
Public Safety	-	-	-	-	-	-	-	560	706	821
Cultural and Recreational	-	-	-	-	-	-	-	101	102	102
Other	-	-	-	-	-	819	6,175	-	-	-
Unrestricted	94,645	111,848	107,108	107,760	98,503	103,883	99,552	117,883	117,194	93,793
<b>Total primary government net position</b>	<b>\$ 387,204</b>	<b>\$ 415,232</b>	<b>\$ 428,774</b>	<b>\$ 443,711</b>	<b>\$ 462,465</b>	<b>\$ 486,179</b>	<b>\$ 495,685</b>	<b>\$ 520,265</b>	<b>\$ 531,385</b>	<b>\$ 542,610</b>

Note 1: Amounts are based on the Accrual Basis of Accounting

Note 2: Amounts are expressed in thousands

Note 3: Terminology changed from "Net Assets" to Net Position effective fiscal year 2013.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**CHANGES IN NET POSITION**

**Table 2**

*Last Ten Fiscal Years (in 000's)*

	<u>2006</u>	<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>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 16,353	\$ 18,144	\$ 16,290	\$ 12,826	\$ 10,721	\$ 10,172	\$ 10,480	\$ 21,603	\$ 19,960	\$ 25,011
Public safety	23,624	28,366	29,719	32,621	37,866	36,159	39,385	29,712	28,939	26,262
Transportation	5,720	3,190	9,703	8,253	11,994	9,344	10,326	7,593	7,462	5,939
Environmental protection	3,855	4,295	4,366	1,068	-	-	-	-	-	-
Economic and physical development	7,652	3,528	5,139	6,006	5,199	4,625	6,065	14,501	13,497	10,781
Culture and recreation	5,044	4,926	6,690	10,360	11,192	11,398	11,503	3,688	3,204	5,765
Interest on long-term debt	1,714	1,937	1,788	1,440	1,842	1,602	1,657	826	894	1,034
<b>Total governmental activities</b>	<b>\$ 63,962</b>	<b>\$ 64,386</b>	<b>\$ 73,695</b>	<b>\$ 72,574</b>	<b>\$ 78,814</b>	<b>\$ 73,300</b>	<b>\$ 79,416</b>	<b>\$ 77,923</b>	<b>\$ 73,956</b>	<b>\$ 74,792</b>
Business-type activities:										
Electric	\$ 148,006	\$ 157,151	\$ 163,119	\$ 183,301	\$ 188,681	\$ 195,510	\$ 191,269	\$ 192,058	\$ 195,184	\$ 189,010
Water	11,584	11,836	13,170	14,437	14,778	15,044	16,403	15,857	16,237	16,201
Sewer	12,227	12,800	12,972	14,524	14,776	15,673	16,208	16,837	17,333	17,667
Gas	36,630	37,068	38,148	38,330	31,749	31,972	24,947	26,189	32,519	31,718
Public Transportation	1,366	1,389	1,412	1,791	1,703	1,837	2,178	2,499	2,459	3,406
Bradford Creek	841	871	878	911	906	914	930	-	-	-
Aquatics and fitness	583	1,521	1,560	-	-	-	-	-	-	-
Stormwater Utility	1,704	1,848	2,367	2,720	2,638	2,899	3,119	2,904	2,945	5,837
Sanitation	-	-	-	5,959	5,495	5,961	6,643	6,792	7,358	6,941
<b>Total business-type activities</b>	<b>\$ 212,941</b>	<b>\$ 224,484</b>	<b>\$ 233,626</b>	<b>\$ 261,973</b>	<b>\$ 260,726</b>	<b>\$ 269,810</b>	<b>\$ 261,697</b>	<b>\$ 263,136</b>	<b>\$ 274,035</b>	<b>\$ 270,780</b>
<b>Total expenses</b>	<b>\$ 341,113</b>	<b>\$ 288,870</b>	<b>\$ 307,321</b>	<b>\$ 334,547</b>	<b>\$ 339,540</b>	<b>\$ 343,110</b>	<b>\$ 341,113</b>	<b>\$ 341,059</b>	<b>\$ 347,991</b>	<b>\$ 345,572</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,109	\$ 4,392	\$ 4,112	\$ 2,323	\$ 447	\$ 886	\$ 3,140	\$ 4,052	\$ 4,829	\$ 3,360
Public safety	3,811	4,189	3,709	4,221	5,060	4,564	5,545	4,360	4,149	5,542
Transportation	311	275	210	264	264	309	247	190	180	293
Environmental protection	3,719	4,004	4,634	81	-	-	-	-	-	-
Economic and physical development	505	668	768	1,280	170	738	-	19	19	19
Culture and recreation	24	31	516	19	1,324	1,247	1,354	1,120	1,088	1,093
Operating grants and contributions	4,538	4,578	3,101	3,952	7,491	9,502	9,820	4,523	3,540	3,211
Capital grants and contributions	3,360	3,022	3,691	5,657	13,735	10,258	4,091	3,975	3,214	2,788
<b>Total governmental activities program revenues</b>	<b>\$ 20,377</b>	<b>\$ 21,159</b>	<b>\$ 20,741</b>	<b>\$ 17,797</b>	<b>\$ 28,491</b>	<b>\$ 27,504</b>	<b>\$ 24,197</b>	<b>\$ 18,239</b>	<b>\$ 17,019</b>	<b>\$ 16,306</b>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**CHANGES IN NET POSITION (CONTINUED)**

**Table 2**

*Last Ten Fiscal Years (in 000's)*

	<u>2006</u>	<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>
Business-type activities:										
Charges for services:										
Electric	\$ 154,577	\$ 164,380	\$ 168,993	\$ 187,204	\$ 194,531	\$ 203,686	\$ 196,531	\$ 197,680	\$ 202,308	\$ 199,711
Water	11,557	11,977	13,714	13,955	13,829	15,289	16,462	16,321	16,526	17,465
Sewer	12,833	13,613	14,111	14,310	14,905	17,041	17,971	18,257	18,218	19,566
Gas	37,219	38,267	41,109	44,476	37,962	37,738	30,440	31,820	35,481	36,688
Public Transportation	132	166	185	218	235	274	314	359	330	402
Aquatics and Fitness	559	539	600	-	-	-	-	-	-	-
Bradford Creek	850	843	876	800	753	750	860	-	-	-
Stormwater Utility	2,944	2,823	2,933	2,958	3,207	3,066	2,962	3,117	3,670	4,354
Sanitation	-	-	-	5,427	5,914	5,431	5,408	6,630	6,814	7,204
Operating grants and contributions	1,081	930	699	1,538	807	830	1,009	-	901	804
Capital grants and contributions	7,043	12,350	5,074	5,301	3,501	1,062	5	2,103	1,162	3,105
<b>Total business-type activities program revenues</b>	<u>\$ 228,795</u>	<u>\$ 245,888</u>	<u>\$ 248,294</u>	<u>\$ 276,187</u>	<u>\$ 275,644</u>	<u>\$ 285,167</u>	<u>\$ 271,962</u>	<u>\$ 276,287</u>	<u>\$ 285,410</u>	<u>\$ 289,299</u>
<b>Total program revenues</b>	<u>\$ 249,172</u>	<u>\$ 267,047</u>	<u>\$ 269,035</u>	<u>\$ 293,984</u>	<u>\$ 304,135</u>	<u>\$ 312,671</u>	<u>\$ 296,159</u>	<u>\$ 294,526</u>	<u>\$ 302,429</u>	<u>\$ 305,605</u>
Net (expense)/revenue										
Governmental activities	\$ (43,585)	\$ (43,227)	\$ (52,954)	\$ (54,777)	\$ (50,323)	\$ (45,796)	\$ (55,219)	\$ (59,684)	\$ (56,937)	\$ (58,486)
Business-type activities	15,854	21,404	14,668	14,214	14,918	15,357	10,265	13,151	11,375	18,519
<b>Total primary governmental net expense</b>	<u>\$ (27,731)</u>	<u>\$ (21,823)</u>	<u>\$ (38,286)</u>	<u>\$ (40,563)</u>	<u>\$ (35,405)</u>	<u>\$ (30,439)</u>	<u>\$ (44,954)</u>	<u>\$ (46,533)</u>	<u>\$ (45,562)</u>	<u>\$ (39,967)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 22,965	\$ 24,054	\$ 26,033	\$ 29,461	\$ 30,517	\$ 30,891	\$ 31,487	\$ 30,446	\$ 31,915	\$ 32,502
Other Taxes, grants and contributions	18,466	19,708	20,712	20,915	20,852	21,722	22,161	22,397	22,522	25,292
Investment earnings	1,908	2,765	2,706	2,455	1,486	919	969	69	2,038	2,064
Miscellaneous	-	-	-	-	469	-	(496)	-	-	-
Transfers	4,349	4,469	5,039	10,864	4,872	6,662	5,554	4,908	5,597	5,804
<b>Total General revenues</b>	<u>\$ 47,688</u>	<u>\$ 50,996</u>	<u>\$ 54,490</u>	<u>\$ 63,695</u>	<u>\$ 58,196</u>	<u>\$ 60,194</u>	<u>\$ 59,675</u>	<u>\$ 57,820</u>	<u>\$ 62,072</u>	<u>\$ 65,662</u>
Business-type activities:										
Investment earnings	\$ 2,097	\$ 3,088	\$ 2,377	\$ 1,472	\$ 813	\$ 641	\$ 337	\$ 227	\$ 209	\$ 284
Transfers	(4,349)	(4,469)	(5,039)	(10,864)	(4,872)	(6,662)	(5,554)	(4,908)	(5,597)	(5,804)
<b>Total business-type activities</b>	<u>\$ (2,252)</u>	<u>\$ (1,381)</u>	<u>\$ (2,662)</u>	<u>\$ (9,392)</u>	<u>\$ (4,059)</u>	<u>\$ (6,021)</u>	<u>\$ (5,217)</u>	<u>\$ (4,681)</u>	<u>\$ (5,388)</u>	<u>\$ (5,520)</u>
<b>Total primary government</b>	<u>\$ 45,436</u>	<u>\$ 49,615</u>	<u>\$ 51,828</u>	<u>\$ 54,303</u>	<u>\$ 54,137</u>	<u>\$ 54,173</u>	<u>\$ 54,458</u>	<u>\$ 53,139</u>	<u>\$ 56,684</u>	<u>\$ 60,142</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 4,103	\$ 7,769	\$ 1,536	\$ 8,918	\$ 7,873	\$ 14,398	\$ 4,456	\$ (1,864)	\$ 5,135	\$ 7,176
Business-type activities	13,602	20,023	12,006	4,822	10,859	9,336	5,048	8,470	5,987	12,999
<b>Total primary government</b>	<u>\$ 17,705</u>	<u>\$ 27,792</u>	<u>\$ 13,542</u>	<u>\$ 13,740</u>	<u>\$ 18,732</u>	<u>\$ 23,734</u>	<u>\$ 9,504</u>	<u>\$ 6,606</u>	<u>\$ 11,122</u>	<u>\$ 20,175</u>

Note 1: Amounts are based on Accrual Basis of Accounting

Note 2: Amounts are expressed in thousands

**CITY OF GREENVILLE, NORTH CAROLINA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Table 3**

*Last Ten Fiscal Years*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ 10,379	\$ 10,002	\$ 11,315	\$ 9,671	\$ 10,404	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,299	17,457	15,657	18,396	17,203	-	-	-	-	-
Nonspendable	-	-	-	-	-	161	151	75	215	116
Restricted	-	-	-	-	-	10,690	11,582	10,267	10,848	16,169
Committed	-	-	-	-	-	2,831	3,059	2,277	2,277	2,277
Assigned	-	-	-	-	-	2,091	2,490	7,047	1,964	1,592
Unassigned	-	-	-	-	-	13,381	14,683	11,401	16,108	12,426
<b>Total General Fund</b>	<b>\$ 28,678</b>	<b>\$ 27,459</b>	<b>\$ 26,972</b>	<b>\$ 28,067</b>	<b>\$ 27,607</b>	<b>\$ 29,154</b>	<b>\$ 31,965</b>	<b>\$ 31,067</b>	<b>\$ 31,412</b>	<b>\$ 32,580</b>
<b>All other governmental funds</b>										
Reserved	\$ 761	\$ 123	\$ 108	\$ 116	\$ 709	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Subsequent Year's	-	-	-	-	108	-	-	-	-	-
Special revenue funds	7,965	9,430	6,901	5,990	3,987	-	-	-	-	-
Debt Service Funds	1,409	1,756	806	916	892	-	-	-	-	-
Capital Project Funds	3,622	9,333	11,822	14,166	9,993	-	-	-	-	-
Nonspendable	-	-	-	-	-	53	44	49	53	919
Restricted	-	-	-	-	-	8,384	5,429	2,160	5,767	8,257
Committed	-	-	-	-	-	7,477	5,996	7,747	6,846	6,045
Assigned	-	-	-	-	-	-	-	544	522	570
Unassigned	-	-	-	-	-	(1,970)	(1,327)	(1,181)	(489)	(5,097)
<b>Total all other governmental funds</b>	<b>\$ 13,757</b>	<b>\$ 20,642</b>	<b>\$ 19,637</b>	<b>\$ 21,188</b>	<b>\$ 15,689</b>	<b>\$ 13,944</b>	<b>\$ 10,142</b>	<b>\$ 9,319</b>	<b>\$ 12,699</b>	<b>\$ 10,694</b>
<b>Total governmental funds</b>	<b>\$ 42,435</b>	<b>\$ 48,101</b>	<b>\$ 46,609</b>	<b>\$ 49,255</b>	<b>\$ 43,296</b>	<b>\$ 43,098</b>	<b>\$ 42,107</b>	<b>\$ 40,386</b>	<b>\$ 44,111</b>	<b>\$ 43,274</b>

Note 1: The City made the option to adopt GASB 54 fund balance presentation prospectively

Note 2: Amounts are based on the Modified Accrual Basis of Accounting

Note 3: Amounts expressed in thousands

**CITY OF GREENVILLE, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Table 4**

*Last Ten Fiscal Years*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Ad Valorem Taxes	\$ 22,565	\$ 23,896	\$ 26,296	\$ 29,715	\$ 30,581	\$ 30,749	\$ 31,567	\$ 30,276	\$ 32,256	\$ 32,956
Other Taxes	14,227	15,002	15,794	15,355	14,715	15,130	16,614	16,519	16,672	18,543
Unrestricted Intergovernmental	4,239	4,706	4,918	5,560	5,573	5,965	5,858	5,877	5,847	6,750
Restricted Intergovernmental	7,683	6,331	6,509	10,031	7,522	11,048	12,166	7,978	6,424	5,720
Licenses, Permits and fees	7,687	7,927	7,742	2,398	2,358	2,365	2,632	2,457	2,289	3,818
Sales and Services	4,023	4,360	5,474	5,604	4,947	5,290	5,117	5,484	5,180	5,766
Investment Earning	1,906	2,743	2,685	2,450	1,486	917	970	69	463	370
Other Revenue	729	1,941	725	424	1,137	896	1,360	1,316	1,715	861
<b>Total revenues</b>	<b>\$ 63,059</b>	<b>\$ 66,906</b>	<b>\$ 70,143</b>	<b>\$ 71,537</b>	<b>\$ 68,319</b>	<b>\$ 72,360</b>	<b>\$ 76,284</b>	<b>\$ 69,976</b>	<b>\$ 70,846</b>	<b>\$ 74,784</b>
<b>Expenditures</b>										
General government	\$ 14,609	\$ 8,451	\$ 8,843	\$ 8,991	\$ 8,935	\$ 8,727	\$ 9,100	\$ 11,238	\$ 10,331	\$ 10,504
Public safety	26,332	27,363	29,553	32,747	34,634	35,256	35,100	36,077	36,072	35,521
Public works	3,803	8,385	8,893	8,874	8,884	9,432	9,838	8,361	8,130	7,924
Environmental Protection	3,740	3,950	4,162	-	-	-	-	-	-	-
Cultural and Recreation	6,732	3,653	3,938	3,886	8,235	8,443	8,772	4,121	4,748	5,176
Economic and physical development	2,382	6,219	6,733	7,560	4,328	4,545	4,956	11,630	10,585	19,185
Capital Outlay	10,274	7,471	8,158	11,454	9,631	9,861	10,647	3,786	3,591	2,596
Reimbursement of indirect cost	-	-	-	(528)	(560)	(373)	(601)	(1,014)	(1,111)	(1,285)
Contribution to OPEB Trust	-	-	-	250	250	250	250	300	350	400
<b>Debt service</b>										
Principal	3,904	3,693	4,108	10,636	3,130	3,389	3,047	12,613	3,342	3,766
Interest and fees	1,714	1,967	1,787	1,440	1,682	1,580	1,684	2,010	894	1,034
<b>Total expenditures</b>	<b>\$ 73,490</b>	<b>\$ 71,152</b>	<b>\$ 76,175</b>	<b>\$ 85,310</b>	<b>\$ 79,149</b>	<b>\$ 81,110</b>	<b>\$ 82,793</b>	<b>\$ 89,122</b>	<b>\$ 76,932</b>	<b>\$ 84,821</b>
Excess of revenues over (under) expenditures	\$ (10,431)	\$ (4,246)	\$ (6,032)	\$ (13,773)	\$ (10,830)	\$ (8,750)	\$ (6,509)	\$ (19,146)	\$ (6,086)	\$ (10,037)
<b>Other financing sources (uses)</b>										
Transfers from other funds	\$ 15,331	\$ 14,519	\$ 23,048	\$ 23,854	\$ 12,999	\$ 12,739	\$ 14,207	\$ 12,127	\$ 16,027	\$ 15,880
Transfers to other funds	(10,982)	(12,488)	(18,509)	(19,124)	(8,127)	(7,432)	(8,774)	(7,766)	(11,213)	(11,622)
Payments to Escrow Agents	-	-	-	-	-	-	-	(9,750)	-	-
Sale of Property	-	-	-	175	-	-	-	-	-	-
Payments to Escrow Agents	-	-	-	-	-	-	(4,208)	-	-	-
Long Term debt issued	1,667	7,645	-	12,014	-	3,244	4,293	22,541	4,997	4,200
<b>Total other financing sources (uses)</b>	<b>\$ 6,016</b>	<b>\$ 9,676</b>	<b>\$ 4,539</b>	<b>\$ 16,919</b>	<b>\$ 4,872</b>	<b>\$ 8,551</b>	<b>\$ 5,518</b>	<b>\$ 17,152</b>	<b>\$ 9,811</b>	<b>\$ 8,458</b>
Net change in fund balances	<u>\$ (4,415)</u>	<u>\$ 5,430</u>	<u>\$ (1,493)</u>	<u>\$ 3,146</u>	<u>\$ (5,958)</u>	<u>\$ (199)</u>	<u>\$ (991)</u>	<u>\$ (1,994)</u>	<u>\$ 3,725</u>	<u>\$ (1,579)</u>
Debt services as a percentage of noncapital expenditures	9.8%	9.8%	9.5%	19.5%	7.4%	7.5%	7.0%	20.5%	6.1%	6.1%

Note 1: Amounts are based on the Modified Accrual Basis of Accounting

Note 2: Amounts are expressed in thousands

**CITY OF GREENVILLE, NORTH CAROLINA**  
**GREENVILLE UTILITIES COMMISSION – REVENUE BASE**

**Table 5**

*Last Ten Fiscal Years*

Fiscal Year	Electric kWh Sold		Water Kgal Sold		Gas ccf Sold	
	Residential	Commercial and Industrial	Residential	Commercial and Industrial	Residential	Commercial and Industrial
2006	626,475,047	910,780,491	1,959,878	1,303,545	7,017,145	15,070,393
2007	632,461,374	929,415,069	2,018,787	1,212,248	7,483,501	18,800,489
2008	660,765,253	968,854,997	2,154,763	1,440,881	7,052,603	19,715,238
2009	688,061,414	945,415,302	2,133,699	1,410,934	8,544,675	20,245,245
2010	701,375,321	948,750,414	2,101,457	1,343,535	9,071,756	22,171,860
2011	735,045,523	976,964,873	2,189,035	1,516,854	9,204,734	23,200,508
2012	659,675,766	973,189,826	2,099,783	1,685,842	6,446,047	21,800,184
2013	695,864,293	960,802,492	2,030,472	1,827,090	8,770,015	22,650,139
2014	714,076,550	970,770,336	2,050,903	1,870,687	9,480,133	23,480,549
2015	719,680,705	990,218,837	2,044,738	1,873,012	9,568,069	23,843,849

**CITY OF GREENVILLE, NORTH CAROLINA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**Table 6**

*Last Ten Fiscal Years*

<b>Fiscal Year Ended June 30</b>	<b>Real Property Residential and Commercial Property</b>	<b>Personal Property Motor Vehicle and Other Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>(2) Total Direct Tax Rate</b>	<b>Estimated Actual Taxable/Market Value</b>	<b>(1) Assessed Value as a Percentage of Market Value</b>
2006	\$ 3,363,220,215	\$ 705,595,820	\$ 4,068,816,035	0.0056	\$ 4,205,494,610	96.75%
2007	3,926,388,821	580,382,679	4,506,771,500	0.0056	4,866,923,867	92.60%
2008	4,160,752,821	596,214,107	4,756,966,929	0.0056	5,401,961,082	88.06%
2009	5,190,768,565	616,651,923	5,807,420,488	0.0052	5,840,125,189	99.44%
2010	5,389,644,817	576,155,778	5,965,800,595	0.0052	6,086,930,512	98.01%
2011	5,597,578,846	404,914,485	6,002,493,331	0.0052	6,083,402,585	98.67%
2012	5,494,929,423	618,532,115	6,113,461,538	0.0052	6,157,177,498	99.29%
2013	5,228,378,854	629,311,731	5,857,690,585	0.0052	5,865,902,849	99.86%
2014	5,279,644,967	885,747,885	6,165,392,852	0.0052	6,165,392,852	100.00%
2015	5,389,359,444	731,693,889	6,121,053,333	0.0054	6,121,053,333	100.00%

(1) Source: Pitt County Tax Assessor's Office

Public service companies appraised each year included in total values on this schedule.

Total assessed values are net of abatements.

(2) Per \$100 value

**CITY OF GREENVILLE, NORTH CAROLINA**

**Table 7**

**GREENVILLE UTILITIES COMMISSION – DIRECT AND OVERLAPPING REVENUE RATES**

*Last Ten Fiscal Years*

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Electric (per kWh)</b>										
Residential	\$ 0.1111	\$ 0.1151	\$ 0.1145	\$ 0.1241	\$ 0.1280	\$ 0.1290	\$ 0.1310	\$ 0.1299	\$ 0.1310	\$ 0.1309
Commercial & Industrial	0.0860	0.0897	0.0886	0.0993	0.1031	0.1038	0.1025	0.1027	0.1031	0.1028
<b>Water (per kgal)</b>										
Residential	3.7398	3.7640	4.0708	4.2999	4.3392	4.5887	5.0031	5.0344	5.0703	5.3871
Commercial & Industrial	2.4885	2.4955	2.5912	2.7337	2.7720	2.8823	3.0610	2.8911	2.8810	3.0439
<b>Gas (per ccf)</b>										
Residential	2.0860	1.9046	2.0073	1.8639	1.5896	1.4856	1.5097	1.3558	1.4078	1.4695
Commercial & Industrial	1.4503	1.2560	1.3225	1.4106	1.0519	1.0119	0.9488	0.8636	0.9205	0.9365

Source: Greenville Utilities Commission

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**

**Table 8**

*Last Ten Fiscal Years*

Fiscal Year	Overlapping Rates				Total Direct and Overlapping Rates
	City of Greenville		Pitt County		
	Rate Per \$100	Total City Levy	Rate Per \$100	Total County Levy	
2006	0.560	\$ 22,714,734	0.700	\$ 57,424,150	\$ 80,138,884
2007	0.560	25,237,917	0.700	60,298,700	85,536,617
2008	0.560	26,650,553	0.700	65,331,289	91,981,842
* 2009	0.520	30,211,997	0.665	78,367,343	108,579,340
2010	0.520	31,039,086	0.665	75,642,267	106,681,353
2011	0.520	30,838,534	0.665	76,968,291	107,806,825
2012	0.520	31,389,341	0.665	76,906,068	108,295,409
* 2013	0.520	30,005,085	0.680	76,846,937	106,852,022
2014	0.520	31,657,568	0.680	80,835,458	112,493,026
2015	0.540	32,647,441	0.680	72,373,686	105,021,127

\* Last date for revaluation. Revaluation occurs every four years

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**

**Table 9**

*December 31, 2014 for Fiscal Year 2015*

<b>Taxpayer</b>	<b>2015</b>			<b>2006</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
RPI Greenville Mall LP	\$ 40,428,933	1	0.73%			
Carolina Telephone/Sprint				\$ 40,000,000	1	0.99%
Copper Beech Townhome	\$ 34,605,790	2	0.63%			
Colonial Realty LP				\$ 27,055,000	2	0.67%
PL Greenville LP	\$ 29,073,633	3	0.53%			
Speight, Maxine				\$ 22,582,000	3	0.56%
Walmart	\$ 27,675,687	4	0.50%			
Southeast Properties				\$ 18,577,000	4	0.46%
PEP Core NCCI LLC	\$ 25,280,676	5	0.46%			
Treybrook LLC				\$ 18,139,000	5	0.45%
Carolina Telephone/Sprint	\$ 23,188,739	6	0.42%			
Shadow Lake Properites/Heritage Property (Carolina East Mall)				\$ 16,193,000	6	0.40%
MSWC ECU Senior Debt LLC	\$ 22,479,382	7	0.41%			
Waterford Place				\$ 12,548,000	7	0.31%
401 Moye Boulevard Realty DST	\$ 21,453,164	8	0.39%			
Winterville Village				\$ 12,254,000	8	0.30%
PEP Core NCCI LLC	\$ 21,249,124	9	0.39%			
JDN Realty Corp., (University Commons)				\$ 11,714,000	9	0.29%
Centro Heritage UC Greenville LLC	\$ 19,169,560	10	0.35%			
GVL Lynncroft LLC				\$ 10,901,000	10	0.27%
<b>Totals</b>	<b><u>\$ 264,604,688</u></b>		<b>4.80%</b>	<b><u>\$ 189,963,000</u></b>		<b>4.69%</b>

Note: Information obtained from Pitt County Government

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TOP CUSTOMERS – GREENVILLE UTILITIES COMMISSION**

**Table 10**

*Current Year and Nine Years Ago*

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Bill</u>	<u>Percentage of Total Revenue</u>
<b>Electric Fund:</b>					
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 6,974,935	3.58%	\$ 5,710,109	3.86%
Vidant Medical Center <sup>1</sup>	Health Care	5,372,362	2.76%	4,240,292	2.87%
DSM Dyneema, LLC	High Performance Fibers	4,612,553	2.37%	869,290	0.59%
Attends Healthcare Products <sup>2</sup>	Medical Products	3,573,895	1.84%	2,284,832	1.54%
East Carolina University	Education	3,435,666	1.77%	3,533,626	2.39%
East Carolina University	Education	3,349,209	1.72%	2,421,087	1.64%
East Carolina University	Education	3,307,777	1.70%	2,097,898	1.42%
ASMO of Greenville	Motors	1,869,759	0.96%	847,432	0.57%
Vidant Medical Center <sup>1</sup>	Health Care	1,700,575	0.87%	-	0.00%
NACCO Material Handling	Fork Lift Trucks	1,322,341	0.68%	1,040,128	0.70%
Robert Bosch Tool Corp. <sup>3</sup>	Drill Bits	-	0.00%	1,120,805	0.76%
<b>Total Electric Fund</b>		<b>\$ 35,519,072</b>	<b>18.25%</b>	<b>\$ 24,165,499</b>	<b>16.34%</b>
<b>Water Fund:</b>					
Town of Farmville	Government	\$ 667,368	3.99%	\$ -	0.00%
DSM Pharmaceuticals, Inc.	Pharmaceuticals	652,346	3.90%	392,748	3.71%
Town of Winterville	Government	286,664	1.72%	-	0.00%
Vidant Medical Center <sup>1</sup>	Health Care	256,383	1.53%	215,751	2.04%
DSM Dyneema, LLC	High Performance Fibers	132,199	0.79%	36,857	0.35%
Vidant Medical Center <sup>1</sup>	Health Care	82,942	0.50%	-	0.00%
Fuji Silysia Chemical USA, LTD	Silica Gel	78,806	0.47%	46,322	0.44%
DSM Dyneema, LLC	High Performance Fibers	73,989	0.44%	-	0.00%
Stokes Regional Water Corporation	Water Utility	70,698	0.42%	-	0.00%
Vidant Medical Center <sup>1</sup>	Health Care	66,810	0.40%	-	0.00%
East Carolina University	Education	-	0.00%	57,721	0.55%
Karastan Bigelow	Carpet Yarn	-	0.00%	54,710	0.52%
Greenville Housing Authority	Apartments	-	0.00%	57,248	0.54%
East Carolina University	Education	-	0.00%	33,931	0.32%
Greenville Housing Authority	Apartments	-	0.00%	47,438	0.45%
Pitt County	Government	-	0.00%	29,095	0.28%
<b>Total Water Fund</b>		<b>\$ 2,368,205</b>	<b>14.16%</b>	<b>\$ 971,821</b>	<b>9.20%</b>
<b>Sewer Fund:</b>					
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 831,087	4.41%	\$ 598,932	5.44%
Town of Bethel	Government	640,832	3.40%	221,689	2.01%
Vidant Medical Center <sup>1</sup>	Health Care	454,525	2.41%	350,930	3.19%
DSM Dyneema, LLC	High Performance Fibers	306,308	1.63%	-	0.00%
Fuji Silysia Chemical USA, LTD	Silica Gel	146,574	0.78%	78,216	0.71%
Vidant Medical Center <sup>1</sup>	Health Care	142,598	0.76%	-	0.00%
Vidant Medical Center <sup>1</sup>	Health Care	118,236	0.63%	-	0.00%
East Carolina University	Education	87,955	0.47%	93,182	0.85%
Attends Healthcare Products <sup>2</sup>	Medical Products	66,525	0.35%	-	0.00%
Greenville Housing Authority	Apartments	64,640	0.34%	68,865	0.63%
Province Greenville NC LP	Apartments	-	0.00%	-	0.00%
Karastan Bigelow	Carpet Yarn	-	0.00%	93,546	0.85%
East Carolina University	Education	-	0.00%	54,414	0.49%
Greenville Housing Authority	Apartments	-	0.00%	57,162	0.52%
Pitt County	Government	-	0.00%	45,479	0.41%
<b>Total Sewer Fund</b>		<b>\$ 2,859,280</b>	<b>15.18%</b>	<b>\$ 1,662,415</b>	<b>15.10%</b>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**TOP CUSTOMERS - GREENVILLE UTILITIES COMMISSION (CONTINUED)**

**Table 10**

*Current Year and Nine Years Ago*

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Bill</u>	<u>Percentage of Total Revenue</u>
<b>Gas Fund:</b>					
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 3,204,985	8.80%	\$ 966,178	2.65%
East Carolina University	Education	2,660,132	7.30%	3,234,850	8.86%
Vidant Medical Center <sup>1</sup>	Health Care	1,864,100	5.12%	1,562,374	4.28%
DSM Dyneema, LLC	High Performance Fibers	1,060,935	2.91%	-	0.00%
East Carolina University	Education	844,917	2.32%	1,315,990	3.61%
Vidant Medical Center <sup>1</sup>	Health Care	672,053	1.85%	-	0.00%
DSM Dyneema, LLC	High Performance Fibers	667,846	1.83%	827,727	2.27%
NACCO Material Handling	Fork Lift Trucks	601,545	1.65%	701,899	1.92%
S. T. Wooten Construction Corp.	Asphalt	593,804	1.63%	-	0.00%
Metrics, Inc.	Pharmaceuticals Manufacturing	486,508	1.34%	355,637	0.97%
Fuji Silysia Chemical USA, LTD	Silica Gel	-	0.00%	628,474	1.72%
Karastan Bigelow	Carpet Yarn	-	0.00%	221,509	0.61%
DSM Pharmaceuticals, Inc.	Pharmaceuticals	-	0.00%	265,985	0.73%
<b>Total Gas Fund</b>		<b>\$ 12,656,825</b>	<b>34.75%</b>	<b>\$ 10,080,623</b>	<b>27.62%</b>

<sup>1</sup> Formerly Pitt County Memorial Hospital

<sup>2</sup> Formerly Paper Pak Products, Inc.

<sup>3</sup> Formerly Vermont American Corp.

Note: Information gathered from the Greenville Utility Commission's billing system

**CITY OF GREENVILLE, NORTH CAROLINA**  
**GENERAL FUND TAX REVENUES BY SOURCE**

**Table 11**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>*** Property Tax</b>	<b>Sales Tax</b>	<b>* Franchise Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>** Other Taxes</b>	<b>Total</b>
2006	\$ 22,564,688	\$ 12,693,295	\$ 4,729,698	\$ 298,254	\$ 782,888	\$ 41,068,823
2007	23,896,190	13,592,797	5,068,888	311,689	107,038	42,976,602
2008	26,295,736	14,321,873	5,190,851	332,734	108,852	46,250,046
2009	29,715,153	13,552,575	6,104,795	345,500	104,950	49,822,972
2010	30,580,836	12,983,004	6,385,550	115,658	103,446	50,168,494
2011	30,748,643	13,393,038	6,488,728	363,923	132,731	51,127,063
2012	31,567,318	14,694,476	6,442,004	368,940	121,759	53,194,497
2013	30,275,932	14,672,441	6,360,313	343,423	118,679	51,770,788
2014	31,205,437	14,804,915	6,316,830	376,811	119,582	52,823,574
2015	32,389,782	16,588,707	7,190,841	416,085	127,304	56,712,718

\* Franchise Tax includes Cable TV and Utilities Franchise taxes

\*\* Includes Motor Vehicle Municiple Tax / Prior to 2003 includes Intangibles Tax

\*\*\* Net of Collection Fees

Note: Beginning fiscal year 2006-2007 Motor Vehicle Tax included as part of Property Tax

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

**Table 12**

*Last Ten Fiscal Years*

Fiscal Year Ended June 30	(1) Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 22,714,734	\$ 21,946,245	96.62%	\$ 702,727	\$ 22,648,972	99.71%
2007	25,237,917	24,356,252	96.51%	794,824	25,151,076	99.66%
2008	26,650,553	25,866,384	97.06%	708,464	26,574,848	99.72%
2009	30,211,997	29,330,914	97.08%	763,825	30,094,739	99.61%
2010	31,039,086	30,202,323	97.30%	716,687	30,919,010	99.61%
2011	30,838,534	29,811,533	96.67%	824,086	30,635,619	99.34%
2012	31,389,341	30,505,550	97.18%	706,197	31,211,747	99.43%
2013	30,005,085	29,195,139	97.30%	141,008	29,195,139	97.30%
2014	31,657,568	31,205,438	98.57%	331,834	31,205,438	98.57%
2015	32,647,441	32,389,782	99.21%	-	32,389,782	99.21%

(1) Analysis of Current Year Tax and Pitt County Tax Collections Report - Net of Abatements

**CITY OF GREENVILLE, NORTH CAROLINA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**

**Table 13**

*Last Ten Fiscal Years*  
*(amounts expressed in thousands, except per capita amount)*

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income
	General Obligation Bonds	Special Assessment Bonds	Certificates of Participation	Installment Purchase Contracts	Revenue Bonds	General Obligation Bonds	Installment Purchase Contracts	Other Debt		
2006	\$ 6,085	\$ 5,640	\$ 23,640	\$ 3,770	\$ 68,271	\$ 5,710	\$ 1,208	\$ 19,669	\$ 133,993	2.64%
2007	12,990	5,365	22,180	2,522	74,136	9,665	992	20,287	148,137	2.73%
2008	12,150	5,080	20,715	1,004	99,842	8,460	805	18,882	166,938	2.94%
2009	11,315	4,785	12,195	12,182	94,882	7,304	744	19,926	163,333	2.83%
2010	10,486	4,475	11,380	11,007	89,072	6,109	549	28,587	161,665	2.71%
2011	12,980	4,155	10,565	10,007	83,976	4,967	2,445	29,082	158,177	2.56%
2012	12,012	3,968	9,750	9,016	78,259	4,570	2,972	29,055	149,602	2.43%
2013	11,051	3,570	-	20,303	79,646	4,404	3,447	32,500	154,921	2.46%
2014	10,222	3,165	-	23,192	72,136	4,207	2,099	36,390	151,411	(1)
2015	9,392	6,925	-	20,694	64,401	4,013	630	36,339	142,394	(1)

Note 1: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note 2: Debt excludes OPEB liability, LEO separation allowances and compensated absences

Note 3: Percentage of Personal Income based on income for Greenville MSA (Obtained from BEA - US Dept of Commerce).

Note 4: Population amounts are as of July 1 of the fiscal year.

Note 5: GO Bond amounts exclude bonds approved but unissued.

(1) Information not available to complete the analysis

**CITY OF GREENVILLE, NORTH CAROLINA**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**

**Table 14**

*Last Ten Fiscal Years*  
*(amounts expressed in thousands, except per capita amount)*

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2006	6,085	1,409	4,676	0.09%	0.90% \$	65
2007	18,090	1,756	16,334	0.30%	0.85% \$	227
2008	20,610	806	19,804	0.34%	0.71% \$	261
2009	18,590	916	17,674	0.31%	0.68% \$	218
2010	15,315	892	14,423	0.24%	0.60% \$	176
2011	17,948	943	17,005	0.27%	0.60% \$	202
2012	16,582	979	15,603	0.25%	0.25% \$	193
2013	15,455	943	14,512	0.23%	0.25% \$	167
2014	14,429	443	13,986	(1)	0.23% \$	157
2015	13,407	393	13,014	(1)	0.21% \$	146

Note 1: Details regarding the city's outstanding debt can be found in the notes to the financial statements

Note 2: Percentage of Personal Income based on income for the County (Obtained from the BEA-US Dept. of Commerce)  
Income information on provided on the City level

Note 3: Population amounts are as of July 1 of the fiscal year

Note 4: GO Bond amounts include bonds approved but unissued

(1) Information not available for this period

**CITY OF GREENVILLE, NORTH CAROLINA**  
**LEGAL DEBT MARGIN – GOVERNMENTAL ACTIVITIES**

**Table 15**

*Last Ten Fiscal Years ('000s)*

	<u>2006</u>	<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>
Debt limit	\$ 325,000	\$ 360,000	\$ 380,000	\$ 464,000	\$ 477,264	\$ 474,012	\$ 489,077	\$ 461,333	\$ 486,793	\$ 489,684
Total net debt applicable to limit	<u>132,242</u>	<u>147,687</u>	<u>166,937</u>	<u>163,305</u>	<u>161,665</u>	<u>157,611</u>	<u>150,355</u>	<u>156,000</u>	<u>152,518</u>	-
Legal debt margin	<u>\$ 192,758</u>	<u>\$ 212,313</u>	<u>\$ 213,063</u>	<u>\$ 300,695</u>	<u>\$ 315,599</u>	<u>\$ 316,401</u>	<u>\$ 338,722</u>	<u>\$ 305,333</u>	<u>\$ 334,275</u>	<u>\$ 489,684</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	40.69%	41.02%	43.93%	35.20%	33.87%	33.25%	30.74%	33.82%	31.33%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed value	\$ 6,121,053,333
Debt Limit (8% of total assessed value)	489,684,267
Debt applicable to limit:	
General obligation bonds	13,404,982
Special obligation revenue	6,925,000
Revenue bonds	64,400,999
Other Debt	<u>57,663,801</u>
Legal debt margin	<u>\$ 347,289,485</u>

Note: Under state finance law, the Name of Government's outstanding general obligation debt should not exceed 8 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PLEDGED REVENUE COVERAGE**

**Table 16**

*Last Ten Fiscal Years*

Fiscal Year	Utility Fund Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service Requirement (3)				Special Assessment Bonds			
				Principal	Interest	Total	Coverage	Special Assessment Collections	Debt Service Principal	Interest	Coverage
2006	\$ 217,706	\$ 189,991	\$ 27,716	\$ 6,050	\$ 4,007	\$ 10,057	2.76	\$ 695	\$ 265	\$ 273	1.29
2007	229,213	200,430	28,783	5,392	3,624	9,015	3.19	661	275	263	1.23
2008	239,417	206,067	33,350	5,972	3,799	9,772	3.41	758	285	252	1.41
2009	260,505	229,007	31,498	6,375	3,364	9,739	3.23	795	295	240	1.49
2010	261,518	228,538	32,980	7,331	4,567	11,899	2.77	807	310	228	1.50
2011	274,671	236,102	38,569	8,368	4,905	13,273	2.91	839	320	215	1.57
2012	261,313	226,583	34,730	8,890	4,230	13,120	2.65	965	325	185	1.89
2013	264,251	228,067	36,185	9,388	4,061	13,450	2.69	940	398	112	1.84
2014	272,354	238,628	33,726	11,229	3,905	15,135	2.23	832	405	103	1.64
2015	273,208	233,793	39,415	11,476	3,671	15,147	2.60	1,207	440	144	2.07

Note: Amounts expressed in thousands

(1) Total revenues including interest and exclusive of any restricted revenue. Includes revenues for the electric, water, sewer and gas funds.

(2) Total operating expenses exclusive of depreciation unfunded OPEB expense and the change in pension expense promulgated by the implementation of GASB No. 68 and No. 71

(3) Includes principal and interest of revenue bonds and subordinate debt exclusive of the general obligation bonds reported in the electric, water, sewer and gas funds.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Table 17**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2005	69,517	\$ 4,741,108	\$ 28,208	32	22,116	5.1%
2006	72,052	5,082,000	29,261	32	22,609	5.4%
2007	72,233	5,431,783	30,403	31	22,994	5.3%
2008	76,058	5,845,865	31,884	31	23,240	7.5%
2009	81,092	5,719,905	30,615	30	23,022	10.9%
2010	81,747	5,888,934	30,970	31	23,267	9.8%
2011	84,554	6,187,507	32,111	26	23,235	7.8%
2012	86,017	6,167,597	35,743	26	23,386	10.6%
2013	87,242	6,300,104	36,153	26	23,495	9.6%
2014	*89,130	(1)	(1)	(1)	23,500	6.9%
2015	89,852	(1)	(1)	(1)	23,511	6.9%

Note 1: Population and Personal Income obtained from U.S. Bureau of Economic Analysis.

Note 2: Personal Income and Per Capita information is calculated on a County level. Information not maintained at City level.

Note 3: Median age, and educational level information are based on surveys conducted during the last quarter of the calendar year.

School information obtained from the Superintendent's Office of the Pitt County School Administrative Unit.

Note 4: Unemployment rates obtained from Employment Security Commission.

Note 5: \* Number updated to reflect correct statistical representation for 2014 according to US Census Bureau

(1) Information unavailable for this period

(2) Information is provided as of July 1 of the fiscal year

**CITY OF GREENVILLE, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**

**Table 18**

*Current Year and Nine Years Ago*

<b>Employer</b>	<b>2015</b>			<b>2006</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Vidant Health	7,868	1	11.08%	4,628	1	7.45%
East Carolina University	5,795	2	8.16%	4,184	2	6.74%
Pitt County Public Schools	2,754	3	3.88%	2,680	3	4.32%
Patheon, Inc. (DSM Pharmaceuticals)	1,200	4	1.69%	1,200	5	1.93%
NACCO Materials Handling Group	1,000	5	1.41%	1,100	4	1.77%
Pitt Community College	953	6	1.34%	830	7	1.34%
County of Pitt	910	7	1.28%	900	6	1.45%
Wal-Mart	876	8	1.23%	460	10	0.74%
City of Greenville	743	9	1.05%	700	8	1.13%
Physicians East	535	10	0.75%	500	9	0.81%
<b>Total</b>	<b>22,634</b>		<b>31.86%</b>	<b>17,182</b>		<b>27.67%</b>

Note: Information obtained from Pitt County Development Commission.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

**Table 19**

*Last Ten Fiscal Years*

	<u>2006</u>	<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>
<b>Function</b>										
General government	59	58	67	68	68	68	62	65	68	61
Public safety										
Police	219	211	223	278	239	239	240	240	241	233
Fire	143	143	145	158	157	157	157	153	158	148
Public Works	192	199	203	205	205	205	204	204	188	168
Recreation and Parks	59	61	53	62	62	62	65	65	67	57
Community Development	24	32	33	25	26	26	26	34	36	30
Electric	182	197	202	204	192	196	197	197	210	135
Water and Sewer	159	152	151	157	158	158	159	159	167	117
Gas	68	65	67	68	67	67	64	66	70	51
<b>Total Employees</b>	<u>1,105</u>	<u>1,118</u>	<u>1,144</u>	<u>1,225</u>	<u>1,174</u>	<u>1,178</u>	<u>1,174</u>	<u>1,183</u>	<u>1,205</u>	<u>1,000</u>

Note: Electric, Water, Sewer, and Gas prior year(s) numbers have changed due to Greenville Utilities Commission and supporting departments.

Source: Financial Services Department and Greenville Utilities Commission.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION**

**Table 20**

*Last Ten Fiscal Years*

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Function</b>										
Police										
Physical arrests	3,507	4,497	4,756	5,141	4,826	4,888	4,861	5,592	5,487	4,590
Parking violations		2,303	13,392	15,112	11,862	4,658	5,537	7,522	8,646	8,717
Traffic violations	24,508	19,998	18,088	17,527	20,326	16,235	15,420	16,975	11,979	9,720
Fire										
Number of calls answered	3,598	4,152	4,388	4,711	4,114	4,746	5,339	5,479	5,753	16,109
Inspections	3,400	2,162	3,500	2,340	2,644	2,787	2,593	1,902	1,571	1,938
EMS										
Number of calls answered	9,885	10,725	11,198	11,227	13,035	15,149	15,006	15,080	15,353	16,110
Sanitation										
Refuse collected (tons/year)	27,182	27,322	27,442	28,458	29,163	28,286	29,309	27,888	27,955	28,318
Recyclables collected (tons/year)	1,792	1,816	3,056	3,030	3,599	4,038	5,538	5,101	4,446	3,366
Culture and recreation										
Facility reservations issued	715	817	916	1,140	1,560	1,936	2,013	1,841	1,692	1,798
Water										
Connections (of service connect)	30,829	32,065	33,051	33,733	34,336	34,419	34,514	34,742	34,959	35,179
Water Lines (miles)	580	593	615	618	626	626	628	628	627	628
Average daily consumption (thousands of gallons)	8,941	10,264	10,797	10,785	10,977	11,850	11,896	12,008	12,394	12,800
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,345	10,587	9,152	8,879	10,120	9,593	10,301	10,426	10,530	10,800

Sources: Various government and GUC departments.

\* Information unavailable

\*\*Calculated by number of workdays/yr. = 249 workdays for Sanitation Division

**CITY OF GREENVILLE, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**

**Table 21**

*Last Ten Fiscal Years*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function</b>										
Public safety:										
Police Stations	1	1	1	1	2	3	3	3	3	3
Patrol units	160	174	177	180	183	192	203	203	202	178
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation:										
Collection trucks	37	37	37	42	42	42	42	41	38	41
Highways and streets:										
Streets (miles)	230.1	234.3	235.0	255.0	263.8	269.9	269.0	269.1	269.33	269.59
Streetlights	5,983	6,166	6,482	6,672	6,672	6,993	7,065	7,105	7,152	7,220
Traffic signals	27	27	33	33	33	33	33	33	33	33
Culture and recreation:										
Parks acreage	1,500	1,511	1,120	1,450	1,450	1,455	1,455	1,455	1,455	1,455
Parks	29	29	29	29	29	29	29	29	29	29
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spraygrounds	-	-	-	-	-	-	-	1	1	1
Tennis courts	24	24	24	24	24	24	24	24	24	24
Community centers	13	13	5	5	5	2	3	3	3	3
Recreation Centers:										
Specialty Centers:	-	-	-	-	-	3	3	3	3	3
Electric:										
Number of distribution stations	17	17	18	18	19	19	19	19	19	19
Miles of service lines	2,474	2,509	2,575	2,575	2,575	2,672	2,714	2,719	2,781	2,804
Water:										
Water lines (miles)	580	593	615	618	618	626	628	628	627	628
Maximum daily treatment capacity (millions of gallons)	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	22.5
Sewer:										
Sanitary sewers (miles)	435	448	464	466	468	469	471	479	471	475
Maximum daily treatment capacity (millions of gallons)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Gas:										
Miles of pipeline	545	562	581	593	597	600	604	609	612	613
Miles of service lines	398	394	421	423	422	424	430	434	437	438

# SINGLE AUDIT & COMPLIANCE

FY 2015 Comprehensive Annual Financial Report



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

The Honorable Mayor  
and Members of the City Council  
City of Greenville  
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 Greenville, North Carolina, (the "City") as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 9, 2015.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses (2014-002, 2014-003, and 2015-001).

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

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

### **City of Greenville's Responses to Findings**

The City of Greenville's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Cherry Bekasert LHP". The signature is written in a cursive style.

Raleigh, North Carolina  
November 9, 2015

**Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance in Accordance with  
OMB Circular A-133 and the State Single Audit Implementation Act**

The Honorable Mayor  
and Members of the City Council  
City of Greenville  
Greenville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the City of Greenville, North Carolina, (the “City”) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) Circular A-133 *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2015. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekasert LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
November 9, 2015

**Report on Compliance for Each Major State Program  
and on Internal Control over Compliance in Accordance with  
OMB Circular A-133 and the State Single Audit Implementation Act**

The Honorable Mayor  
and Members of the City Council  
City of Greenville  
Greenville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the City of Greenville, North Carolina, (the “City”) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2015. The City’s major State programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the City’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekasert LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
November 9, 2015

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2015

---

**SECTION I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified  Yes  No
- Significant deficiency identified that is not considered to be a material weakness  Yes  None reported
- Noncompliance material to financial statements noted  Yes  No

Federal Awards

Internal control over major federal programs:

- Material weakness identified  Yes  No
- Significant deficiency identified that is not considered to be a material weakness  Yes  None reported
- Noncompliance material to federal awards  Yes  No

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133  Yes  No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Names of Federal Program or Cluster</u>
20.507	Federal Transit – Formula Grants (Urbanized Area Formula Program)
66.458	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2015

---

**SECTION I. Summary of Auditor’s Results (Continued)**

State Awards

Internal control over major State programs:

- Material weakness identified                     Yes     No
- Significant deficiency identified  
that is not considered to be a  
material weakness                     Yes     None reported
- Noncompliance material to State awards     Yes     No

Type of auditor’s report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name  
Powell Bill

**SECTION II. Financial Statement Findings**

**FINDING: 2014-002 – Deficit fund balance**

**Material Weakness**

**Criteria:** North Carolina General Statutes preclude governmental units from having funds that operate in a deficit.

**Condition:** In the current year, there were violations of the General Statutes regarding deficit fund balance and fund equity in multiple funds.

**Cause:** Two funds ended the year with a deficit.

**Effect:** The City was in violation of a North Carolina General Statute.

**Recommendation:** Management should continue to monitor the cost of providing services and adjust charges to ensure revenues cover all related costs. The City should also monitor expenditures in funds when revenues fall short of expectations.

**Management’s Response:** Management has established procedures and long-term plans to monitor costs and revenues and adjust charges to cover related costs. However, management expects it will take some time to raise rates to a level that will cover costs and reduce the existing deficits.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*YEAR ENDED JUNE 30, 2015*

---

**SECTION II. Financial Statement Findings (Continued)**

**FINDING: 2014-003 – Appropriation of fund balance in excess of statutory limits      Material Weakness**

**Criteria:** North Carolina General Statutes prohibit funds with annual budgets from appropriating fund balance in excess of “available fund balance” as calculated in accordance with the applicable statute.

**Condition:** Two funds were in violation of the General Statutes regarding appropriations of fund balance.

**Cause:** The final budgets for two funds showed “appropriated fund balance” in excess of the available fund balance, as defined by the General Statutes.

**Effect:** The City was in violation of a North Carolina General Statute.

**Recommendation:** Management should continue to monitor the fund balance of funds with annual budgets to ensure their available fund balance as of the end of each year will be sufficient to cover appropriations for prior year encumbrances in addition to any appropriations of fund balance included in the next year’s annual budget.

**Management’s Response:** Management concurs with the recommendation and will continue to monitor fund balance of annually budgeted funds during preparation of the next year’s proposed annual budget.

**FINDING: 2015-001 – Errors in financial reporting      Material Weakness**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** Management is unable to reconcile the current capital asset system by asset category to the amounts reported in the financial statements and we noted that for selected assets the depreciation is not being calculated correctly.

**Effect:** The errors in the depreciation expenses resulted in an understatement of depreciation expense in the governmental activities. The errors related to the inability to reconcile the classes of capital assets was indeterminate; however, we note that the impact of this would be on beginning net position and the reporting of capital assets between cost and accumulated depreciation.

**Cause:** The current capital asset system is a legacy system that was in place before the implementation of GASB 34, which changed the reporting and importance of reporting the governmental capital assets. Additionally, over the history of the system, the City has established new funds to track certain activities and at the time of those decisions, the underlying capital asset system was not consistently updated to reflect those changes.

**Recommendation:** Management is in the process of implementing a new financial reporting system and underlying capital asset module. We recommend management conduct a full inventory of their assets in connection with this process to determine the completeness of their capital asset subsidiary ledger. We recommend management review each asset currently in the capital asset system for existence, proper classification and appropriate valuation (accumulated depreciation).

**Management’s Response:** Management concurs with finding. As the City transitions to the new ERP system it is anticipated that some classification errors will be adjusted for a clean transition and more accurate reporting in the future. Also, with the addition of an internal auditor, additional reviews will be made of all assets to ensure proper classification and calculation in future years.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*YEAR ENDED JUNE 30, 2015*

---

**SECTION III. Federal Award Findings and Questioned Costs**

None reported.

**SECTION IV. State Award Findings and Questioned Costs**

None reported.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**CORRECTIVE ACTION PLAN**

*YEAR ENDED JUNE 30, 2015*

---

**FINDING: 2014-002**

**Planned Corrective Action:** Monitor fund revenues and continue implementation of plans to increase revenues to cover costs and relieve deficit fund balances.

**Contact Person:** Bernita Demery, Director of Financial Services

**FINDING: 2014-003**

**Planned Corrective Action:** Monitor fund balances throughout the year and during preparation of the proposed budget for the next year.

**Contact Person:** Bernita Demery, Director of Financial Services

**FINDING: 2015-001**

**Planned Corrective Action:** Implement a new ERP system which includes a new fixed asset module, which requires the City to run new cost and depreciation schedules and to verify all information.

**Contact Person:** Bernita Demery, Director of Financial Services

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2015*

---

**FINDING: 2014-001 – Omission of required financial reporting**

**Status:** Completed

**FINDING: 2014-002 – Deficit fund balances**

**Status:** Repeated

**FINDING: 2014-003 – Appropriation of fund balance in excess of statutory limits**

**Status:** Repeated

**FINDING: 2014-004 – Errors in financial reporting**

**Status:** Completed

**FINDING: NO. 2014-005 – Material misstatement in financial reporting**

**Status:** Completed

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

YEAR ENDED JUNE 30, 2015

Grantor/Pass Through Grantor/Program Title	Project Code	Federal CFDA Number/ State Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
<b>FEDERAL FINANCIAL ASSISTANCE:</b>							
<b>U.S. Department of Housing and Urban Development</b>							
Direct Programs -							
CDBG Entitlement Grant - Plan Year 2010	CDBG10	14.218	B-10-MC-37-0020	\$ 8,875	\$ -	\$ 1,485	\$ 10,360
CDBG Entitlement Grant - Plan Year 2012	CDBG12	14.218	B-12-MC-37-0020	1,437	-	241	1,678
CDBG Entitlement Grant - Plan Year 2013	CDBG13	14.218	B-13-MC-37-0020	215,365	-	36,038	251,403
CDBG Entitlement Grant - Plan Year 2014	CDBG14	14.218	B-14-MC-37-0020	781,000	-	130,689	911,689
HOME Investment Partnership - Plan Year 2010	HOME10	14.239	M10-DC370211	39,064	-	3,748	42,812
HOME Investment Partnership - Plan Year 2011	HOME11	14.239	M11-DC370211	101,477	-	9,736	111,213
HOME Investment Partnership - Plan Year 2013	HOME13	14.239	M13-DC370211	46,625	-	4,473	51,098
HOME Investment Partnership - Plan Year 2014	HOME14	14.239	M14-MC370211	259,701	-	24,916	284,617
<b>Total U.S. Department of Housing and Urban Development</b>				<b>1,453,544</b>	<b>-</b>	<b>211,326</b>	<b>1,664,870</b>
<b>U.S. Department of Transportation</b>							
Direct Programs -							
Planning Work Program	MPO	20.205	PL-104	151,830	-	37,957	189,787
Federal Transit Administration (558 - Operating)	-	20.507	NC-90-X558-00	506,262	-	506,262	1,012,524
Federal Transit Administration (558 - Capital - PM)	-	20.507	NC-90-X558-00	487,796	-	121,949	609,745
Federal Transit Administration (558 - ADA)	-	20.507	NC-90-X558-00	112,532	-	28,133	140,665
Federal Transit Administration (538 - Capital)	-	20.507	NC-90-X538-00	10,180	-	2,545	12,725
Federal Transit Administration (015 - Capital)	-	20.507	NC-04-0015-00	651,788	81,474	81,474	814,736
Federal Transit Administration (515 - Capital)	-	20.507	NC-90-X515-00	105,691	-	26,423	132,114
Federal Transit Administration (0032 - Intermodal)	-	20.507	NC-04-0032-02	29,198	3,650	3,650	36,498
Public Transportation Division Planning Work Program (Section 5303)	-	20.505	36230.17.9.3	37,448	4,677	4,685	46,810
<b>Total U.S. Department of Transportation</b>				<b>2,092,725</b>	<b>89,801</b>	<b>813,078</b>	<b>2,995,604</b>
<b>U.S. Department of Justice</b>							
Criminal Division							
Equitable Sharing Program		16.922		13,189	-	-	13,189
Bureau of Justice Assistance							
JAG 2013	JAG13	16.592	2013-DJ-BX-1203	1,472	-	-	1,472
JAG 2014	JAG14	16.592	2014-DJ-BX-0999	49,866	-	-	49,866
<b>Total U.S. Department of Justice</b>				<b>64,527</b>	<b>-</b>	<b>-</b>	<b>64,527</b>
<b>Environmental Protection Agency</b>							
Brownfields Assessment Cooperative Agreement							
Brownfields Assessment Cooperative Agreement	BRWN3	66.818	BF-00D00212-01	36,213	-	-	36,213
Brownfields Assessment Cooperative Agreement	BRWN4H	66.818	BF-00D13213-01	18,132	-	-	18,132
Brownfields Assessment Cooperative Agreement	BRWN4P	66.818	BF-00D13213-01	18,132	-	-	18,132
Passed through NC Department of Environment and Natural Resources							
Capitalization Grants for Clean Water State Revolving Funds	CS370487-08	66.458		8,866,000	-	956,572	9,822,572
Capitalization Grants for Clean Water State Revolving Funds	CS370487-07	66.458		13,221,304	-	1,300,000	14,521,304
Capitalization Grants for Clean Water State Revolving Funds	CS370487-09	66.458		252,113	-	-	252,113
<b>Total Environmental Protection Agency</b>				<b>22,411,894</b>	<b>-</b>	<b>2,256,572</b>	<b>24,668,466</b>
<b>U.S. Department of the Treasury</b>							
Federal forfeitures		21.XXX		13,528	-	-	13,528
<b>STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE</b>							
<b>Department of Transportation</b>							
Division of Highways							
Powell Bill Funds	-	DOT-4	-	-	2,235,741	-	2,235,741
Public Transportation Division							
State Maintenance Assistance Program (SMAP)	-	DOT-9	15SMAP012	-	271,633	-	271,633
<b>Total Department of Transportation</b>				<b>-</b>	<b>2,507,374</b>	<b>-</b>	<b>2,507,374</b>
<b>Total Federal and State Assistance</b>				<b>\$ 26,036,218</b>	<b>\$ 2,597,175</b>	<b>\$ 3,280,976</b>	<b>\$ 31,914,369</b>

Note to the Schedule of Expenditures of Federal and State Financial Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of the City of Greenville, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.