

# City Council Meeting

December 10, 2018



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# Item 9

Financial audit for the fiscal year  
ended June 30, 2018



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# Audit Wrap-up

## City of Greenville

**April Adams, CPA**

*Partner*

December 10, 2018

*Your guide forward*



# Agenda

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Role of External Auditor

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Internal Controls

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Significant Audit Areas

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Key Highlights - Results

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Questions and Comments

# Role of the External Auditor

In accordance with Auditing Standards – Generally Accepted and Government

## Actions

Plan & Perform Procedures

Obtain Reasonable Assurance

Free from Material  
Misstatement

Compliance

## Results

Express Opinions:  
- Financial Statements  
- Internal Control over  
Financial Reporting  
- Federal and State  
Compliance

## Required Communications

Policy Changes

Estimates

Journal Entries

# Internal Controls

## Financial Statements

### Significant Cycles

- Payroll\*
- Cash Receipts
- Cash Disbursements
- Capital Assets
- Debt
- Budgeting
- Financial Statement Close

### Journal Entries

- Mind Bridge (AI)

### IT Controls

- IT Entity Level
- Backup & Recovery
- Access & Security
- Network Security
- Cyber Security

### Single Audit

- Administrative Controls
- Monitoring Reports

# Significant Audit Areas

## Financial Statements

### Assets & Revenues

- Accounts Receivable
- Revenues
- Capital Assets

### Liabilities & Expenses

- Accounts Payable and other liabilities
- Expenditures
- Payroll-related expenses and liabilities

### Other Items

- Grants
- Cash and Investments
- Debt, including pension and OPEB liabilities
- Net Position
- Related Parties
- Estimates
- Legal

### Single Audit

- Compliance Matrix
- Compliance Testing

# Key Highlights

## Results

### Opinions

Unmodified Opinion –  
Financial Statements

Unmodified Opinion –  
Internal Control over  
Financial Reporting

Unmodified Opinions –  
Federal and State  
Single Audit

### Internal Controls

No Significant  
Deficiencies or  
Material Weaknesses

### Single Audit

Major Programs:  
FTA Cluster (Federal)  
COPS (Federal)  
Disaster Grant FEMA  
(Federal )  
Powell Bill (State)

No Reportable Findings

### Required Communications

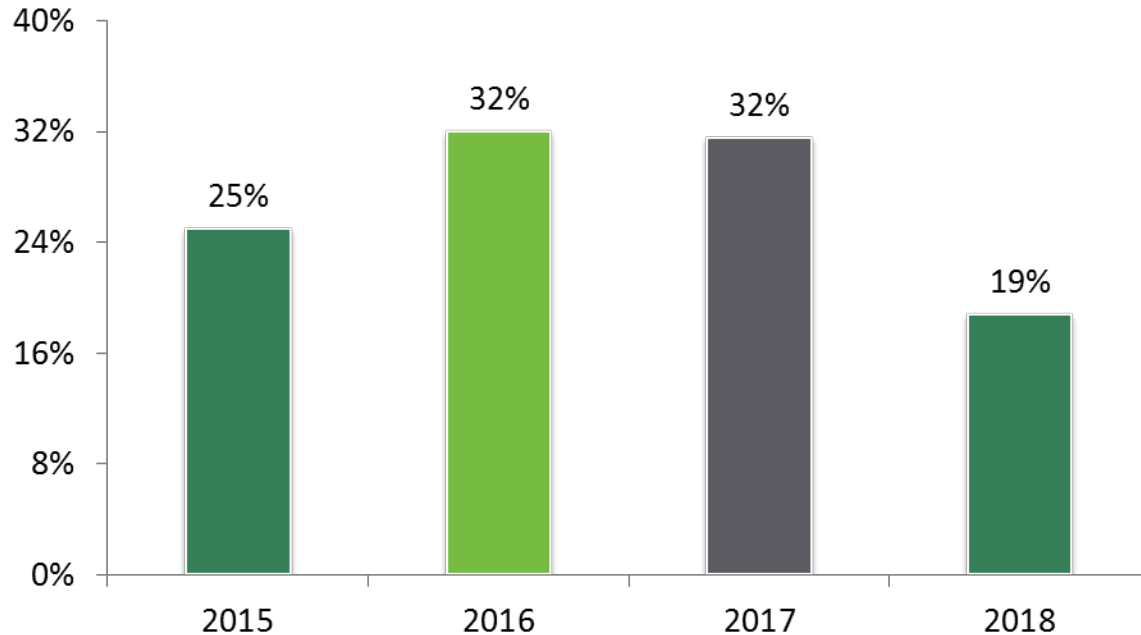
Prior Period  
Adjustment: OPEB  
Restatement for GASB  
75 Implementation

No Journal Entries



# Key Highlights

*Available Fund Balance as a % of Expenditures – General Fund*



City Policy  
at least 14%

# Questions & Comments?

**April Adams, CPA**

*Audit Partner*

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919.782.1040



# Item 10c

Presentation by the Historic  
Preservation Commission



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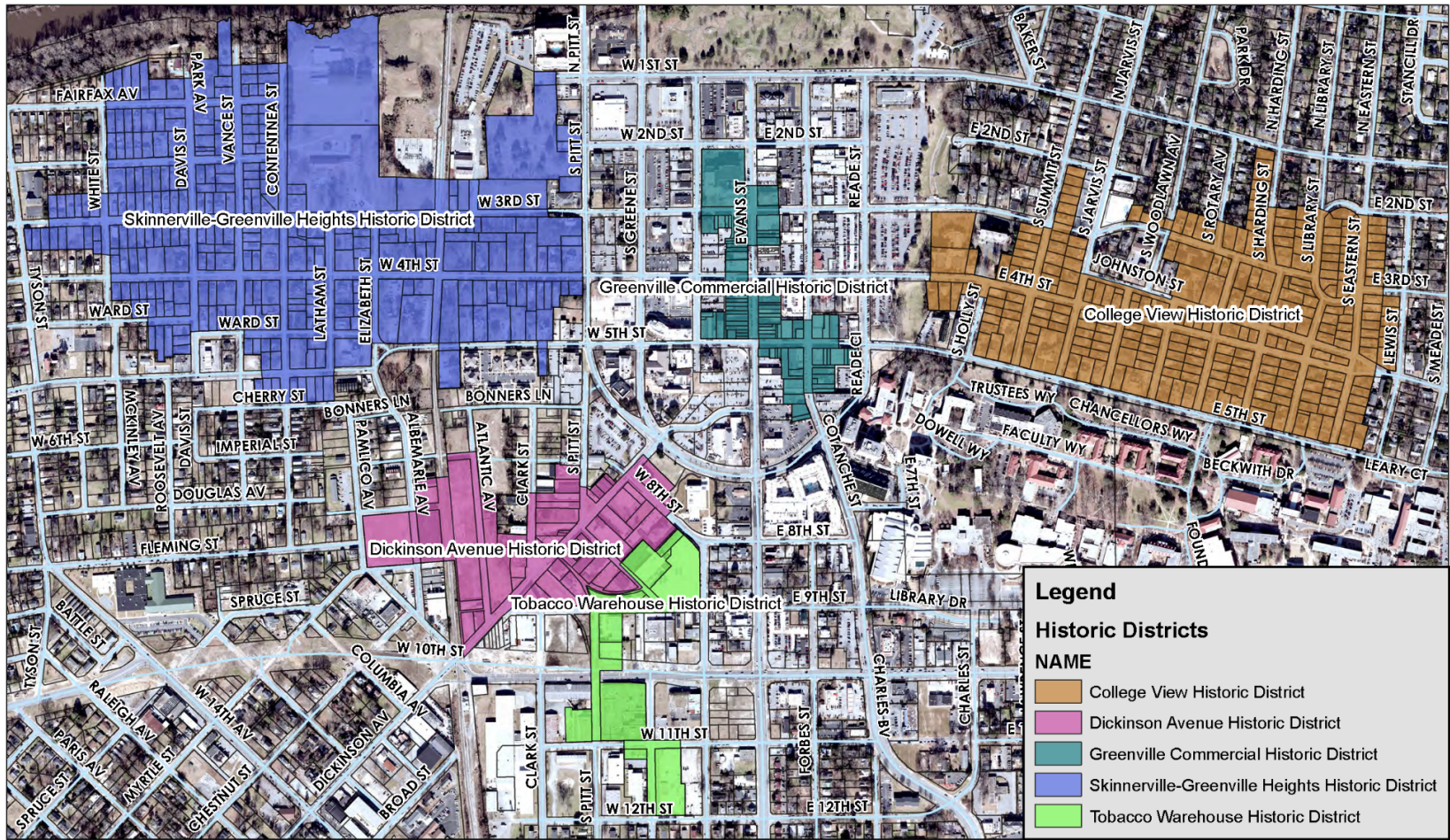
# Historic Preservation Commission

## Annual Report to City Council

December 10, 2018

## Greenville Historic Preservation Commission

- Ordinance creating the Commission: December 8, 1988
- Ordinance designating the College View Historic District:  
February 10, 1994

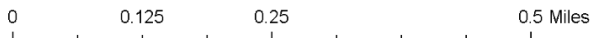


**Legend**

**Historic Districts**

**NAME**

- College View Historic District
- Dickinson Avenue Historic District
- Greenville Commercial Historic District
- Skinnerville-Greenville Heights Historic District
- Tobacco Warehouse Historic District



## Greenville Landmarks

- 5 National Landmarks
- 22 Local Landmarks



200 East Fourth Street  
William H. Long House



510 West Fourth Street  
Glenn-Pender Moore House



805 Evans Street  
The Jones-Lee House



117 West Fifth Street  
Robert L. Humber House



301 Evans Street  
Proctor Hotel



706 West Fourth Street  
Charles O'Hagan House



809 Johnston Street  
The Rotary Club

## Greenville Landmarks

- 5 National Landmarks
- 22 Local Landmarks



201 West Fifth Street  
Municipal Building



300 South Pitt Street  
Wiley Cobb House



300 West Fourteenth Street  
Patrick Arthur House



707 West Fourth Street  
Albion Dunn House



403 Maple Street  
Dr. William Wooten House



123 West Third Street  
Skinner Building & Grounds



803 East Fifth Street  
Skinner House & Grounds



## Greenville Landmarks

- 5 National Landmarks
- 22 Local Landmarks



505 West Fourteenth Street  
King Simmons Lodge



508 West Fifth Street  
E. B. Ficklen House & Grounds



600-700 West Third Street  
Third Street School & Grounds



1112 Dickinson Ave  
Jacob W. Higgs House



402 West Fourth Street  
Alfred M. Moseley House & Grounds



105-107 West Third Street  
Hassel - James Building &  
Grounds



530 South Evans  
Sheppard Memorial Library

330 Evans Street  
Blount Harvey Building



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## Façade Improvement Grants

Since 1999, 153 funded grants (5 currently in progress).

Grants have ranged from \$325 to \$5000.

For façades alone, the City has invested **\$307,246.41** while property owners have invested **\$1,580,712.66** just for the façades.

For every **\$1** given by City, **~\$5.14** is spent by business owners for façades.



**Previous FIG Boundary**



**Current FIG Boundary**

# HPC in 2018

- This Place Matters national initiative
- Preservation month activities in May
- HPC Workshop to develop a work plan for 2019
- HPC Facebook page
- 13 COAs
- 13 MWCOAs
- CLG Trainings



## 2019 Goals:

- Create a cultural heritage program, through the Teach About Greenville (TAG) initiative, including expansion of community involvement & educational programs.
- Celebrate National Historic Preservation Month in May.
- Pursue a Certified Local Government (CLG) grant from the SHPO for a cultural plan that encompasses the City's arts plan, or a National Register district nomination for one of the eligible districts.
- Seek out alternative national trust grants such as the African American cultural heritage action fund.
- Have staff and commissioners attend an annual CLG training session to maintain CLG status.
- Present Awards (always in May).
  - The Robert Lee Humber Award
  - Sallie Southall Cotten Award
  - Architectural Award
  - Stewardship Award
- Send postcards to all properties in College View Historic District.
- Send requests for new local landmark applications.
- Hold a 2019 HPC Workshop.

# Local Landmark Nominations In Progress

**Tar River Navigational Locks**  
Parcel 05511



**WL Harrington House**  
905 E 5<sup>th</sup> Street



**J. R. Moye House**  
408 West Fifth Street



## Past HPC Resolutions

FIG Boundary Extension	February 2017	Completed
Historical Marker Funding	February 2017	Now TAG
Preservation Easement on Imperial Site	May 2016	
Anti-Demolition by Neglect	May 2013	
Preservation of Cherry Hill Cemetery	September 2008	



Questions or Comments?

# Item 11

Presentation on the FY 2018-19  
General Fund Unassigned Fund  
Balance as of the FY 2017-18  
Financial Audit



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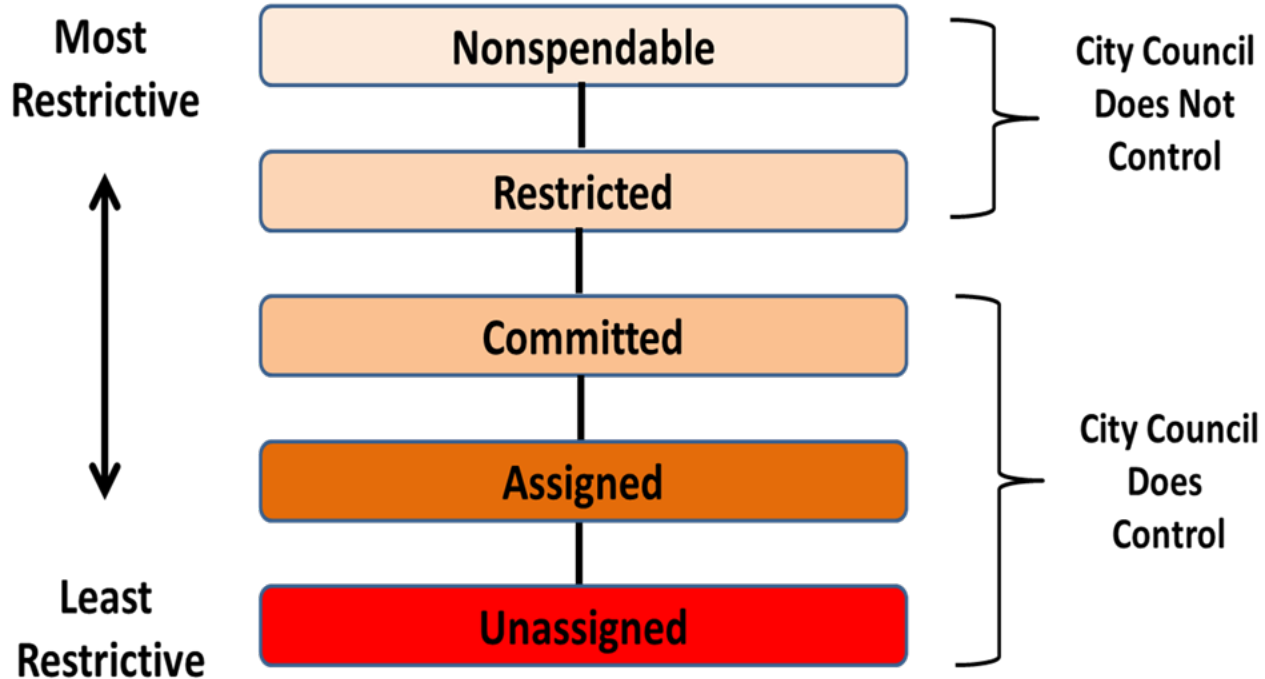


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**GENERAL FUND BALANCE  
AS OF JUNE 30, 2018 FISCAL AUDIT**

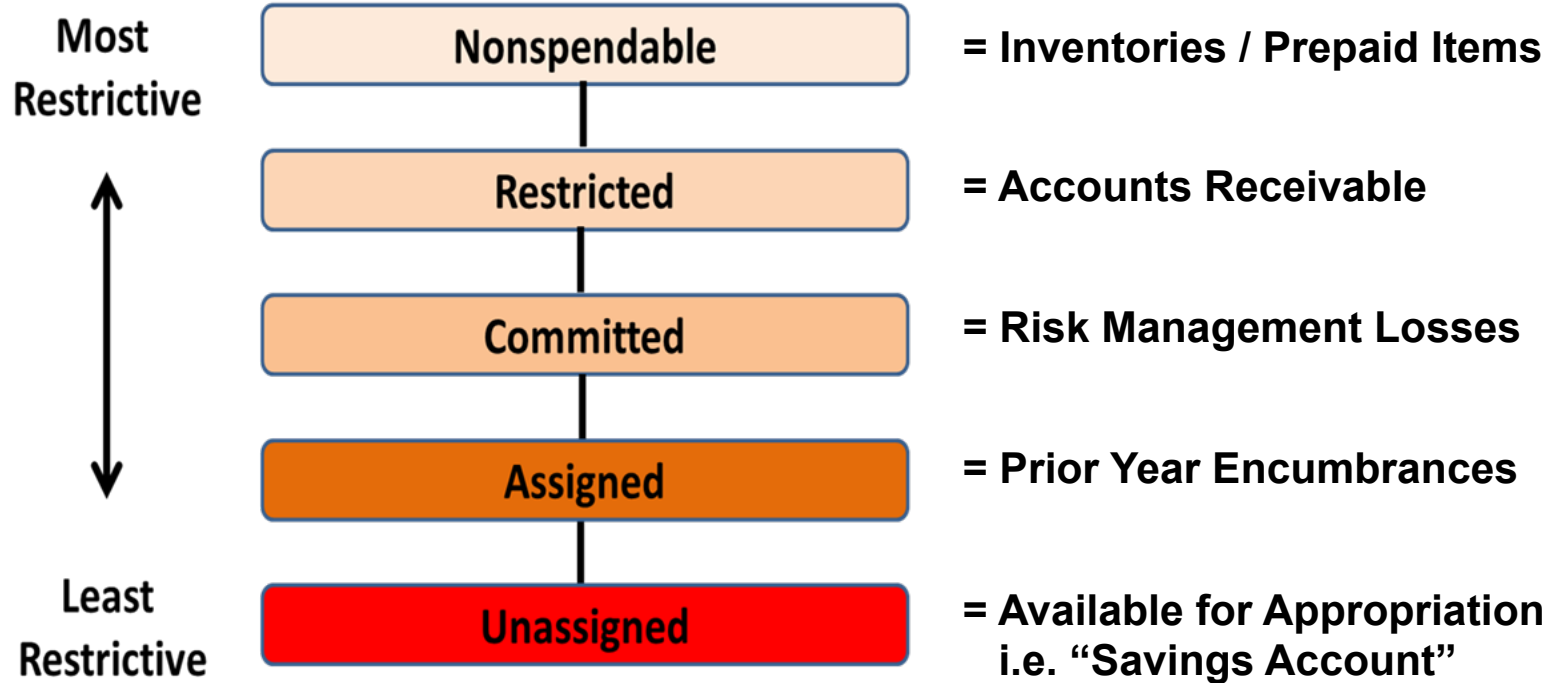
# GENERAL FUND BALANCE

## FUND BALANCE COMPONENTS



# GENERAL FUND BALANCE

## FUND BALANCE COMPONENTS



**GENERAL FUND BALANCE**  
**AS OF JUNE 30, 2018 FISCAL AUDIT**

Non Spendable	\$	101,710	0.4%
Restricted		7,318,084	32.0%
Committed		2,050,839	9.0%
Assigned		1,379,935	6.0%
Unassigned		<b>12,048,199</b>	<b>52.6%</b>
Total	\$	<u>22,898,767</u>	<u>100.0%</u>

**GENERAL FUND BALANCE**  
**UNASSIGNED FUND BALANCE POLICY**

**The City of Greenville Will Strive to Maintain an Unassigned General Fund Balance at the Close of Each Fiscal Year of at Least 14% of the Total Annual Unrestricted Operating Budget**

**Excess Fund Balance = Unassigned Fund Balance > 14%**

**GENERAL FUND BALANCE**  
**FY2018-19 EXCESS FUND BALANCE CALCULATION**

2018-19 General Fund Budget Less Restricted Revenues	\$ 80,103,254
Unassigned Fund Balance Percentage	<u>14.0%</u>
Calculated Unassigned Fund Balance	\$ 11,214,456
Unassigned Fund Balance per June 30, 2018 Audit	12,048,199
Fund Balance Available for Appropriation (i.e. Excess)	<u><u>\$ 833,743</u></u>



# GENERAL FUND BALANCE

## FY2018-19 EXCESS FUND BALANCE CALCULATION

Excess Fund Balance Projected per FY2018-19 Budget Process	\$ 1,000,000
Excess Fund Balance Per Actual Calculation	833,743
Difference	<u>\$ 166,257</u>

### Notes:

1. The difference of \$166,257 will be covered by the following:
  - Lapsed salaries at the end of fiscal year 2018-19
  - Cumulative FIP savings from projects coming under budget
2. Fund Balance appropriated as included in the 2019-20 Financial Plan is approximately \$650,000 (\$350,000 less than fund balance appropriated in the fiscal year 2018-19 budget)

# GENERAL FUND BALANCE

## FY2018-19 EXCESS FUND BALANCE CALCULATION

### Appropriation of Excess Fund Balance

Operating Contingency		\$ 40,000
One-Time Capital Project Appropriations		
Industrial / Commercial Site Development	<b>\$ 300,000</b>	
10th Street Connector Betterments	143,743	
Firetower- 14th Street to NC 33	<b>350,000</b>	
Total One-Time Capital		793,743
Total Appropriation of Excess Fund Balance		<u><u>\$ 833,743</u></u>

**Excess Appropriated to Industrial/Commercial Site Development and the Firetower Project Will be Transferred From the General Fund to the Capital Reserve Fund**

# GENERAL FUND BALANCE

## CAPITAL RESERVE FUND BALANCE

### Designations by Project

Convention Center		\$ 140,487
Dickinson Area Parking- City Employee		450,751
Dickinson Parking- Public		350,000
Industrial / Commercial Site Development		700,000
Future NCDOT Projects:		
Dickinson Streetscape/Light	1,702,860	
Firetower NC43-14th	187,480	
Firetower 14th-NC33	594,389	
Street Signal Conversion	912,000	
		<b>3,396,729</b>
Balance		<u>\$ 5,037,967</u>

## GENERAL FUND BALANCE FUTURE NCDOT PROJECTS

	Projected Required Funding	Currently in Capital Reserve	Remaining to be Funded
Dickinson Streetscape/Light	\$ 1,702,860	\$ 1,702,860	\$ -
Firetower NC43-14th	187,480	187,480	-
Firetower 14th-NC33	681,160	594,389	86,771
Street Signal Conversion	912,000	912,000	-
Evans Street Widening	525,000	-	525,000
14th Street Widening	270,122	-	270,122
Allen Road	938,045	-	938,045
<b>Total</b>	<b><u>\$ 5,216,667</u></b>	<b><u>\$ 3,396,729</u></b>	<b><u>\$ 1,819,938</u></b>
% Currently Funded	100.0%	65.1%	34.9%

# GENERAL FUND BALANCE AS OF JUNE 30, 2018 FISCAL AUDIT



# Item 12

Ordinance Approving 2018-2019  
Capital Reserve Fund Designations



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# City of Greenville

## 2018-2019 CAPITAL RESERVE FUND DESIGNATION

# Capital Reserve Fund

*Any local government or public authority may establish and maintain a capital reserve fund for any purposes for which it may issue bonds. A capital reserve fund shall be established by resolution or ordinance of the governing board which shall state (i) the purposes for which the fund is created, (ii) the approximate periods of time during which the moneys are to be accumulated for each purpose, (iii) the approximate amounts to be accumulated for each purpose, and (iv) the sources from which moneys for each purpose will be derived. (1943, c. 593, ss. 3, 5; 1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1.)*

**--North Carolina G.S. 159-18**



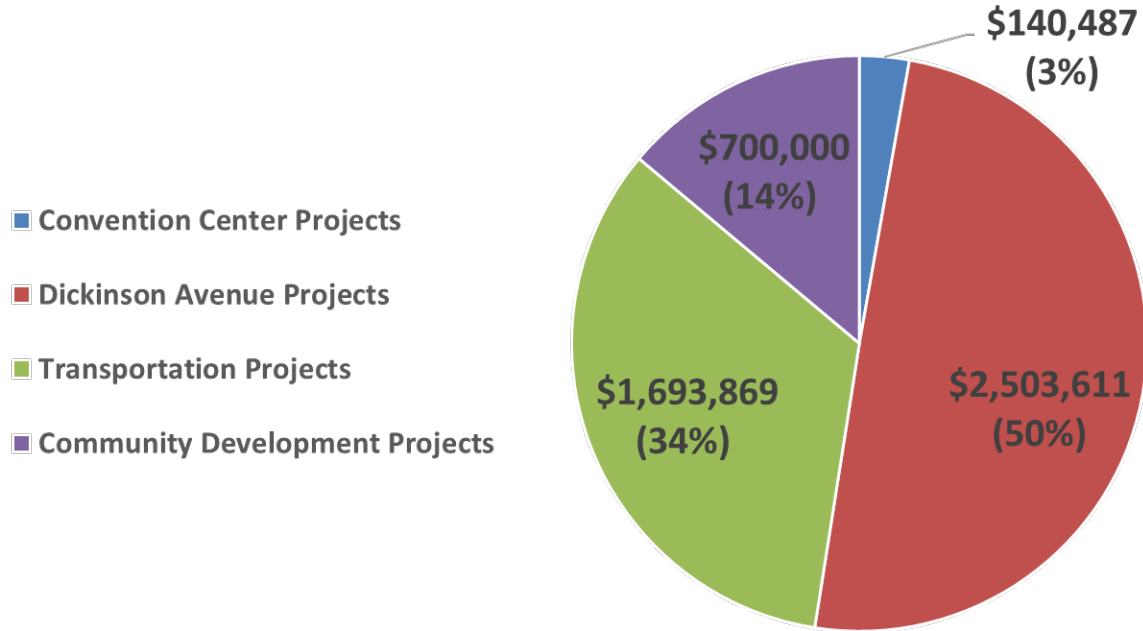
# Recommended for Transfer

Description	Amount
Reclassify FY 2018-19 designations to align with the 2017-18 financial audit	A \$ (177,278)
Transfer to pay for HVAC unit replacement at the Convention Center	B \$ (250,000)
Recognize FY2018-19 allocation for future projects	C \$ 740,000

## Detail of Designations – Dec 2018

Purpose	Approved Designations May 7, 2018		Inc/(Dec)	Proposed Designations December 10, 2018
Convention Center Project(s)	\$ 390,487	B	\$ (250,000)	\$ 140,487
Dickinson Avenue Project(s)				
Dickinson Parking	\$ 1,300,751	A	\$ (500,000)	\$ 800,751
Dickinson Avenue Streetscape	1,600,000	A,C	102,860	1,702,860
Subtotal Dickinson Avenue Project(s)	\$ 2,900,751		\$ (397,140)	\$ 2,503,611
Transportation				
Sidewalk Construction - DOT projects	\$ 52,059	A	\$ (52,059)	\$ -
DOT Project - Firetower NC43 to 14th Street	187,480		-	187,480
DOT Project - Firetower 14th Street to NC33	244,389	C	350,000	594,389
Street Signal Conversion	912,000		-	912,000
Subtotal Transportation	\$ 1,395,928		\$ 297,941	\$ 1,693,869
Community Development				
Parking Station Reserves	\$ 38,079	A	\$ (38,079)	\$ -
Industrial Site	-	A,C	700,000	700,000
Subtotal Community Development	\$ 38,079		\$ 661,921	\$ 700,000
<b>Total</b>	\$ 4,725,245		\$ 312,722	\$ 5,037,967

# Breakdown by Category



# RECOMMENDATION

**Approve 2018-2019 Capital Reserve Fund designations and adopt the Capital Reserve Fund Ordinance.**

# Questions



# Item 13

Budget ordinance amendment #5 to the 2018-2019 City of Greenville budget (Ordinance #18-038) and an ordinance establishing the Donations Fund



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**CITY OF GREENVILLE**  
**BUDGET ORDINANCE AMENDMENT #5**

# **CITY OF GREENVILLE**

## **BUDGET ORDINANCE AMENDMENT #5**

### **Budget Ordinance Amendment #5 Includes Adjustments to the Following Funds:**

- **General Fund**
  - **Capital Reserve Fund**
  - **Facility Improvement Fund**
  - **Debt Service Fund**
  - **Public Transportation Fund**
  - **Housing Fund**
- ❖ **Establishes the Donations Special Revenue Fund**



# CITY OF GREENVILLE

## BUDGET ORDINANCE AMENDMENT #5

Description	Funds Impacted	Amount
- Adjust fund balance appropriated to reflect the 2017-18 financial audit and recognize 2017-18 donation revenue carryover for Recreation and Parks	General Fund Donations Fund Facility Improvement Fund Capital Reserve Fund Debt Service Fund	\$ 166,257
- Reclassify FY 2018-19 designations to align with the 2017-18 financial audit	General Fund Facility Improvement Fund	\$ 116,733
- Recognize program income within the Community Development Housing Fund received through FY 2017-18	Housing Fund	\$ 80,440
- Recognize additional funding received in the Public Transportation fund for State Maintenance Assistance Program	Public Transportation Fund	\$ 7,055
- Recognize funding from the Capital Reserve Fund to cover costs associated with HVAC replacement at the Convention Center	Facility Improvement Fund	\$ 250,000

**CITY OF GREENVILLE**  
**BUDGET ORDINANCE AMENDMENT #5 SUMMARY**

**City of Greenville Operating Fund Budget per Amendment #5:**

<b>Fund</b>	<b>Budget</b>	<b>%</b>
General	\$ 84,829,739	62.2%
Debt Service	5,463,492	4.0%
Public Transportation (Transit)	3,256,977	2.4%
Fleet Maintenance	4,431,156	3.2%
Sanitation	7,843,096	5.8%
Stormwater	6,267,592	4.6%
Housing	1,677,619	1.2%
Health Insurance	13,562,600	9.9%
Vehicle Replacement	4,332,161	3.2%
Facilities Improvement	3,870,765	2.8%
Capital Reserve	812,722	0.6%
<b>Total</b>	<b>\$ 136,347,919</b>	<b>100%</b>

**CITY OF GREENVILLE**  
**BUDGET ORDINANCE AMENDMENT #5**  
**SUMMARY**

**RECOMMENDATION**

**Approve Budget Ordinance Amendment #5 to the 2018-19 City of Greenville budget (Ordinance #18-038) and establish the Donations Special Revenue Fund.**

# City Council Meeting

December 10, 2018



**Greenville**  
NORTH CAROLINA

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