

Overview

The City of Greenville financial cycle begins on July 1 and ends on June 30. During this time frame, two major processes take place: the Annual Operating and Capital Budget process and the Annual Audit. The 2016 Popular Annual Financial Report (PAFR) provides an overview of the City's financial results and is intended to increase awareness throughout the community of the City's financial operations. The financial information is obtained from the audited financial statements in the City's 2016 Comprehensive Annual Financial Report (CAFR). The PAFR is not required to present the same level of detail as the CAFR and, therefore, may not fully conform to generally accepted accounting principles (GAAP). This report highlights the overall financial condition and trends of the City. The 2016 CAFR is audited by Cherry Beckaert LLP and has received an unmodified or "clean" audit opinion. This report may be viewed on the City's website, located at greenvillenc.gov.

Contents





The Government Finance Officers
Association of the United States and
Canada (GFOA) presented a **Distinguished Budget Presentation Award** to the City
of Greenville, North Carolina for its biennial
budget for fiscal year July 1, 2014–June 30,
2015, and a **Certificate of Achievement for Excellence in Financial Reporting** for
its commitment to financial transparency for
fiscal year July 1, 2014–June 30, 2015.

The City's Budget documentation and Comprehensive Annual Financial Reports can be accessed through greenvillenc.gov.

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Mayor Allen Thomas

City Council



Mayor Pro Tem, District 1 Kandie Smith



District 2Rose Glover



District 3McLean Godley



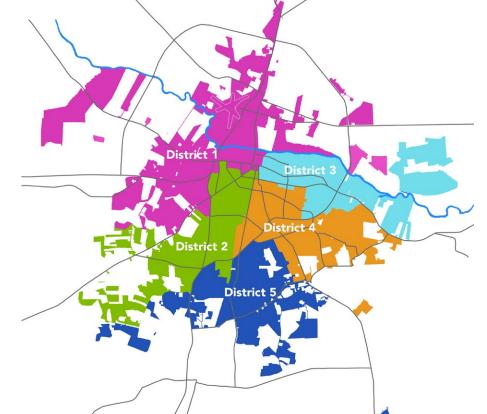
District 4Rick Smiley



District 5P. J. Connelly



Council Member at-Large Calvin Mercer



A Message to the Citizens of Greenville



I am pleased to present, on behalf of the City Council and the management of the City of Greenville, the City's first Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2016. Provided in this report are the financial highlights from the previous fiscal year and an overview of City services.

The City provides significant financial detail through the Comprehensive Annual Financial Report (CAFR) available to you on the City's Website, www.greenvillenc.gov. Analyzing financial statements can be challenging, especially for those who do not do so on a regular basis. The PAFR is designed to address that issue by providing a summary of the City's financial position in a user-friendly format. The PAFR is intended to be a supplement to the CAFR, not a replacement.

In this report, we have provided an overview of the City's annual operating budget and how those dollars were invested into the community during the past fiscal year. Additionally, we have broken down some of the City's departments to offer a snapshot of some of the services that impact our community. We have also provided a glimpse of the City's capital investments.

Providing comprehensive and quality services while maintaining a sound financial position is a source of pride for the City of Greenville. It is an important part of our financial mission to be transparent in providing you with complete information on the finances of our programs.

I would like to thank City department heads and staff for their dedication and commitment in the preparation of this report. Specifically, I would like to thank the City Manager's Office, inclusive of the staff of Public Information and Budget & Evaluation, for their contributions.

As you review this PAFR, please feel free to share any questions, concerns, or recommendations you may have with us.

Barbara Lipscomb City Manager

Barbara Supscimb



FINANCIAL TRANSPARENCY TOOL

Access real-time financial information any time online through the Financial Transparency Tool at greenvillenc.gov.

Our Community



90,597 Population (2015 est.)

50,938 Post-Secondary Students

> 34.9 Square Miles



Top 100 Best Communities for Young People

Forbes

Top 10 Best Small Places for Business and Careers 2014

Forbes

Top 25 Mid-City Business Growth and Development



Top 10 Micro American Cities of the Future 2013-2014



Top 10 Best Performing Cities (Small Metro) 2014

newgeography

Top 50 Best Small Cities for Job Growth 2014



Top 10 Human Resources 2013-2014



Top 40 Pharmaceutical & **Medicine Mfg Metro**

newgeography

Top 20 Best Small Cities for Information Jobs 2014

MAJOR EMPLOYERS

In a community where healthcare and education thrive, it is no surprise that the Greenville's top employers would be from one of those fields. Vidant Health, which includes the East Carolina Heart Institute and the James and Connie Maynard Children's Hospital, leads the way in jobs. Here is a look at the number of employees at a few of the city's major employers:



7.868



5,795



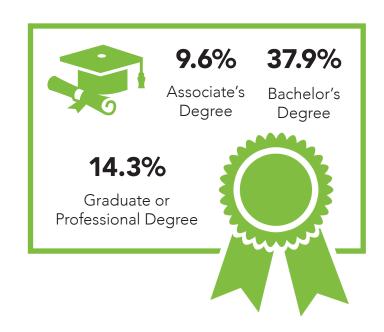
2,754



Workforce

EDUCATION

Greenville is home to East Carolina University, the third largest university in the state. ECU boasts the Brody School of Medicine that offers a four-year medical doctor degree as well as six PhD programs and the School of Dental Medicine, one of only two in the state. There are also 99 undergraduate degree tracks and 104 graduate-level programs at ECU. Another asset for Greenville's education community is Pitt Community College, which has its main campus in Winterville and satellite campus in Greenville.



PROFESSIONS

Greenville continues to be one of the state's top performing cities for economic growth with the healthcare and educational industries leading the way. Thirty-five percent of those employed in Greenville were employed in a healthcare or education field in Fiscal Year 2015-16.

\$50,395

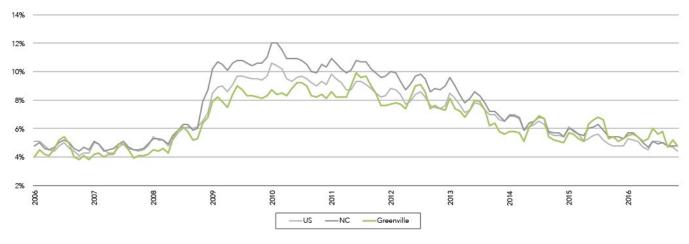
Median
Family Income



35.2%

Employed in Healthcare & Education

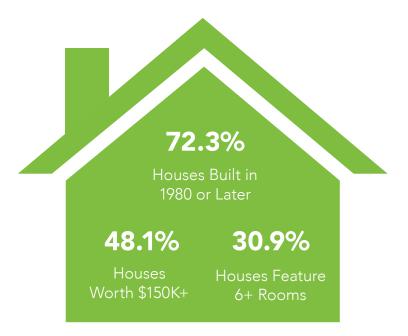
UNEMPLOYMENT RATE



Quality of Life

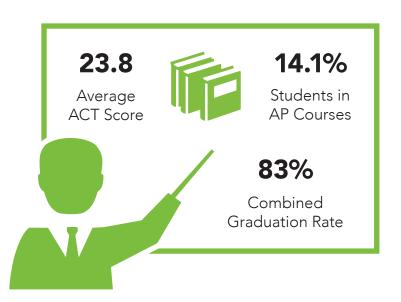
HOUSING

With a growing economy, residential development in Greenville has also been steady in its growth during the past decade. More than 70 percent of homes in Greenville were built in 1980 or later, and nearly half of them are worth more than \$150,000.



SCHOOLS

The future of any community is largely dependent on its schools, and Greenville has plenty to offer in both public and private options. The Pitt County School System provides K-12 education for the entire county with more than a third of its schools in Greenville. Greenville is also home to a charter school and several private options.



FY 2016 Financial Results

GOVERNMENTAL ACTIVITIES

The Governmental activities section in the City's financial statements includes programs normally supported by taxes and allocations/grants from federal and state governments. Governmental revenue sources cover various services including public safety (Fire, Police, and Emergency Communications), public infrastructure (Planning, Inspections, and roadways) and the Parks, Recreation and Community Development as well as general government administration (Human Resources, Information Technology, and Finance). Governmental activities also include special revenue activities, such as grants, and capital project activities, such as road resurfacing, that support general infrastructure activities across the city.

	FY 2014-2015	FY 2015-2016
Assets	\$ 272,311,777	\$ 274,304,179
Liabilities	- \$ 78,621,419	- \$ 72,682,787
Total Net Position	\$ 193,690,358	\$ 201,621,392

BALANCE SHEET

A balance sheet provides a snapshot of what the City owns (assets) and owes (liabilities). Net position represents the City's investment in the assets it uses in providing services to its citizens.

Increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or declining. The City's net position increased \$7 million from FY 2014-15 to FY 2015-16, which is in line with expectations. The City's revenue increased slightly over the prior year. Increases in operating expenditures year over year are due to continued investment in our employee workforce.

INCOME STATEMENT

An income statement provides a summary of amounts received (revenues) and amounts spent (expenditures). The difference between revenue and expenditures shows the City's net position. A positive change in net position indicates the City had enough revenues to cover its obligations and has the ability to save for the future.

	FY 2014-2015	FY 2015-2016
Revenues	\$ 82,670,382	\$ 87,931,822
Expenses	- \$ 77,013,292	- \$ 79,999,788
Change In Net Position	s 5,657,090	\$ 7,932,034

Note: Revenues and expenses include transfers in/out.

FY 2016 Financial Results

ENTERPRISE ACTIVITIES

Enterprise activities rely mostly on fees charged to customers for services rendered, with subsidies often being covered by general governmental funds. The City maintains four operations as Enterprise activities not counting Greenville Utilities Commission. Those operations include Public Transportation (Transit), Stormwater Utility, Enterprise Capital Projects, and Sanitation. *Note: Financial results presented below do not include Greenville Utilities Commission.*

	FY 2014-2015	FY 2015-2016
Assets	\$ 14,574,901	\$ 19,647,444
Liabilities	- \$ 8,580,654	- \$ 8,999,397
Total Net Position	\$ 5,994,247	\$ 10,648,047

BALANCE SHEET

A balance sheet provides a snapshot of what the City owns (assets) and owes (liabilities). Net position represents the City's investment in the assets it uses in providing services to its citizens.

An increase in net position of \$4.6 million reflects continued growth of the City.

INCOME STATEMENT

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	FY 2014-2015	FY 2015-2016
Revenues	\$ 15,537,476	\$ 15,269,754
Expenses	- \$ 15,489,981	- \$ 10,615,954
Change In Net Positio	n \$ 47,495	\$ 4,653,800

Note: Revenues and expenses include transfers in/out.

Net Position

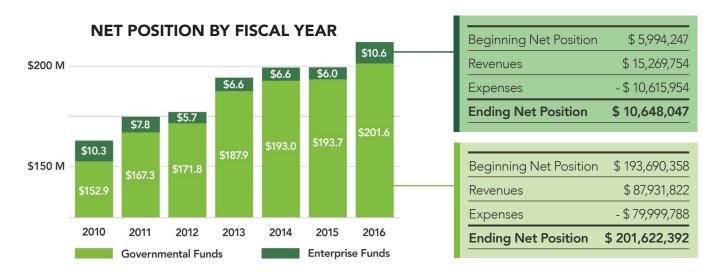
NET POSITION

A positive net position means the City's assets exceed liabilities and a negative net position means the City's liabilities exceed its assets.

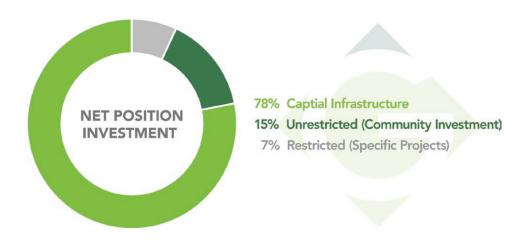
2015-2016 BALANCE SHEET

	Governmental Activities	Enterprise Activities	Total
Assets	\$ 274,304,179	\$ 19,647,444	\$ 293,951,623
Liabilities	- \$ 72,682,787	-\$8,999,397	- \$ 81,682,184
Net Position	\$ 201,621,392	\$ 10,648,047	\$ 212,269,439

The City's net position has increased over the last seven years. Changes in net position are represented by comparing total annual revenue with total annual expenses. When revenue exceeds expenses, the City's net position improves.



Approximately 78% of the City's net position is invested in capital infrastructure. Another 7% is restricted for specific projects. The remaining 15% is available for investment back into the community.



Sources of City Funds

GENERAL FUND REVENUES

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, with the exception of those required to be accounted for in different funds, such as business type activities. The major sources of revenues for the General Fund are property tax, sales tax, utilities franchise tax, licenses, permits and fees, Greenville Utilities Commission transfer-in, rescue fees, investment earnings, and Powell Bill – State Allocation. The largest tax revenues of the City are property taxes and sales taxes. These taxes predominately fund basic government services including Recreation and Parks and Public Safety.

Revenue Sources	2014 Actual	2015 Actual	2016 Actual
Property taxes	\$ 31,504,419	\$ 31,938,890	\$ 31,760,123
Sales taxes	\$ 14,804,914	\$ 16,588,706	\$ 17,289,692
Motor vehicle tax	\$ 751,278	\$ 1,017,300	\$ 1,015,680
Utilities franchise tax	\$ 5,413,757	\$ 6,282,750	\$ 6,949,180
GUC transfers	\$ 6,080,280	\$ 6,505,044	\$ 7,358,265
Powell Bill	\$ 2,265,848	\$ 2,235,741	\$ 2,220,065
Rescue fees	\$ 3,099,049	\$ 3,527,942	\$ 3,060,016
All other sources	\$ 10,526,063	\$ 9,311,297	\$ 7,985,257
Total	\$ 74,445,608	\$ 77,407,670	\$ 77,638,278



Property Tax Breakdown



41¢
Property
Taxes

In order for the City of Greenville to provide the many services it does for citizens, it needs to generate revenue. One of the main sources of revenue is Ad Valorem (or property) tax. With the property tax rate being 53¢ per \$100 of valuation for FY 2016, it made up 41% of the total General Fund revenues.

Property tax revenues consist of real property values, personal property values, motor vehicles, and public service companies. For FY 2016, the valuation estimate provided by the Pitt County Tax Office was \$6,174,638,745. This represented a 6.3% increase in tax values from the previous year.



Property tax obligation for home values at the fiscal year 2016 tax rate of \$0.53 per \$100 of valuation:

\$ 100,000 — \$ 530

\$ 150,000 — \$ 795

\$ 200,000 — \$ 1,060

HISTORY OF GREENVILLE PROPERTY TAX RATES



Uses of City Funds

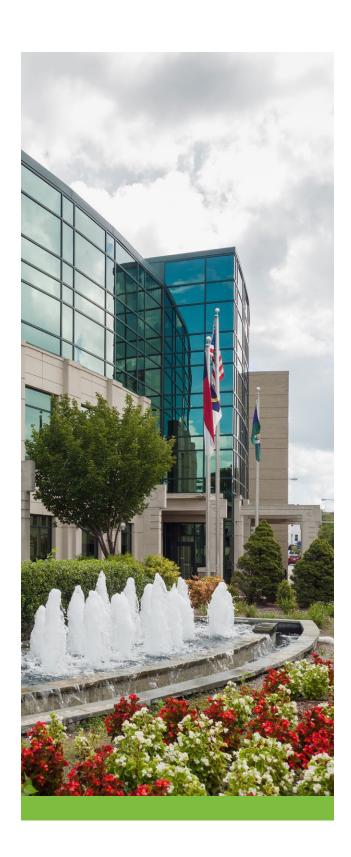
GENERAL FUND EXPENSES

Each year, the City adopts its annual operating budget, which allocates limited dollars to the highest priorities as determined during the City Council planning retreat held each January. The General Fund is financed primarily by property and sales tax revenues, and supports core services such as public safety. The City provides many services to our citizens with the majority of our General Fund being dedicated to Public Safety, which includes Police at 30% and Fire/Rescue at 18% of the general government budget in fiscal year 2016.

Department Expenses	2014 Actual	2015 Actual	2016 Actual
Police	\$ 22,878,563	\$ 22,575,236	\$ 23,390,240
Fire/Rescue	\$ 12,763,569	\$ 12,839,310	\$ 13,630,368
Public Works	\$ 8,102,437	\$ 7,924,225	\$ 8,580,845
Recreation & Parks	\$ 7,429,094	\$ 7,400,170	\$ 7,644,937
General government	\$ 14,469,576	\$ 14,094,573	\$ 13,414,994
Transfers to other funds	\$ 8,457,031	\$ 11,408,692	\$ 11,114,322
Total	\$ 74,100,270	\$ 76,242,206	\$ 77,775,706



General Government



Home to more than 90,000 people, the City of Greenville provides a multitude of services for residents, businesses, and visitors through its Police, Fire/Rescue, Public Works, Recreation and Parks, and Community Development Departments and a committed and knowledgeable staff in its internal departments and divisions.

More than 760 City employees played a part in the City's successes during Fiscal Year 2015-16, and the City's commitment to inclusiveness and transparency in all areas of government is evident throughout the 34.9 square miles that make up Greenville.

Effective communication regarding City information and events is also a daily priority, and the City has reached thousands through its outreach methods of the City Website, social media pages, cable television channel, mobile application, electronic newsletter, and various printed publications.

Some other highlights from FY 2015-16 include:

- More than 6,500 applications for employment were processed and reviewed; nearly 3,000 job interest cards were received by the Human Resources Department.
- The City had 1,192,969 unique page views and 1,542,190 total page views on its Website, www.greenvillenc.gov.
- Nearly 7,200 payments were processed by the Collections Division.
- More than \$11 million was awarded to the City through 25 federal, state, and local grants.

Community Development



The mission of the Community Development Department is to administer and implement policies, programs, and services authorized by the Greenville City Council that shape the physical environment of the city and provide services to the citizens of Greenville in a professional manner.

The Community Development Department is comprised of five divisions. They include Code Enforcement, Planning, Housing, Inspections, and Administration. Each play a vital role in guiding the growth and development of our city while also preserving its historic and natural features.

Permits	2014–15	2015–16
Total permits issued	6,111	6,567
Total value new construction	\$199M	\$62M
Inspections performed	13,199	13,263
Commercial plan reviews	268	330
Residential plan reviews	368	292
Certificates of Appropriaten	ess 20	29
Major work	0	12
Minor work	20	17

Community Revitilization*

Clearance & demolition	\$ 19,500
Downpayment assistance	\$ 80,380
Owner-occupied rehabilitation	\$ 368,687

^{*}These numbers reflect actual expenditures for these categories in community revitalization during FY 2016.



Public Safety

The Greenville Police Department and Fire/Rescue Department exist to make our community a better place to live by responding to a wide range of emergencies and other calls for service. Each are committed to creating a safer city for residents, businesses, and visitors through a community-oriented approach.

The Greenville Police Department is a nationally accredited law enforcement agency that provides a full range of high quality law enforcement services through a departmental philosophy of community-oriented policing. The department continuously implements 21st Century policing techniques and methods to protect and serve the expanding community with 190 sworn employees and 53 civilian employees in the various bureaus, divisions, and units.

The mission of Greenville Fire/Rescue is to educate, protect, and serve our community by providing timely fire fighting, emergency medical care, rescue, and life safety services through a team of 158 proud men and women working out of the six neighborhood-based Fire/Rescue stations. Greenville Fire/Rescue is also the proud home to N.C. Urban Search and Rescue Task Force #10.





Greenville Police	2014–15	2015–16
Sworn Police Officers	188	194
Number of calls dispatched	57,636	58,886
Crimes against person	469	526
Crimes against property	3,344	3,599
Reportable crashes	4,022	4,750

Greenville Fire/Rescue

Full-time Fire/Rescue positions	142	142
Number of calls dispatched	16,623	17,024
Fire incidents	277	290
EMS incidents	13,917	14,065
Technical rescue incidents	20	25
Hazardous material incidents	168	89
Inspections completed	1,920	1,699

Public Works



2014-15 2015-16

115

100

Refuse Collection

Building & Grounds

Trees planted

Weekly routes	28	20			
Refuse collected (tons)	27,995	28,558			
Recycling routes	28	20			
Recyclables collected (tons)	4,446	3,938			
Roadways					
Total paved lane miles maintain	ed 675	677			
Bridges maintained	27	27			
Stormwater					
Total miles of drainage pipe	221	221			
Structures (basins, culverts, etc)	14,750	14,750			
Fleet Maintenance					
Work orders	5,221	4,964			

The Public Works Department is committed to providing our community with the highest level of customer service through a cost-effective, efficient, and environmentally responsible operation. The department aims to preserve and maintain the City's infrastructure and natural resources for the benefit of all.

Public Works is composed of the following divisions: Engineering, Street Maintenance, Greenville Area Transit (GREAT), Sanitation, Fleet Maintenance, Buildings & Grounds, and Administration. Through these divisions, the Public Works Department provides a host of services to our citizens. In addition to the many services provided directly to the citizens, Public Works develops and maintains the City's fiveyear Capital Improvement Program. In doing so, the department identifies the City's greatest capital needs and develops methods for funding the most critical projects with more than \$40 million of capital funding from local taxes, service fees, state gasoline tax revenues, and other state and federal grants. The department is also dedicated to maintaining and enhancing the infrastructure and appearance of the city.



Recreation & Parks

The Recreation and Parks Department provides a variety of athletic, recreational, and arts and crafts activities for all ages and special populations. The department maintains 26 parks and recreational facilities, including numerous gymnasiums, recreation and community centers, swimming pools, tennis courts, a soccer complex, softball and baseball fields, playgrounds, a greenway, as well as the Town Common and Greenville Toyota Amphitheater, River Park North, Bradford Creek Public Golf Course, the Aquatics & Fitness Center, the Extreme Park, and River Birch Tennis Center.

The department's dedication to inclusiveness and a willingness to think "outside of the box" also make it unique and help to enhance Greenville's overall quality of life while providing more reasoning for why Greenville was voted the state's only "Sportstown USA" by Sports Illustrated.





Recreation & Parks	2014–15	2015–16
Parks and sites	26	26
Total park acres	1,454	1,454
Total Greenway Miles	6.5	7.75
Programs & camps offered	516	516
Total program participants	11,654	11,618

City Maintained Recreational Facilities

Indoor and outdoor pools	2	2
indeer and editater peers		
Recreation centers	7	7
Outdoor basketball courts	1	1
Outdoor tennis courts	20	20
Playgrounds	17	17
Diamond fields	16	16
Rectangular fields	5	5
Other athletic fields	2	2
Picnic shelters	23	23
Golf courses	1	1

Understanding City Debt

General Obligation Bond Ratings

Moody's

Aa2 (very strong)

S&P Global AA

(very strong)

Bond ratings are measure of a municipality's credit risk and ability to pay it's debt. The stronger the bond rating, the lower the credit risk. The City's bond ratings reflect a very strong ability to fulfill its debt obligations on an annual basis.

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt the City may have outstanding to eight percent (8%) of the appraised value of property subject to taxation. According to Pitt County Tax Assessor records, the City of Greenville has an estimated assessed value of \$6,241,276,981 for fiscal year 2016. Based on this, the City's legal debt capacity is \$499 million. This capacity covers the debt that would be subject to property taxation.

The following is a summary of the City's outstanding debt as of June 30, 2016:



53% Installment Purchases 31% General Obligations

16% Special Revenue

Total Outstanding Debt

\$20,209,754

\$12,505,000 \$6,455,000

\$39,169,754

The City's policy is to maintain a ten-year debt payout ratio of 60% or higher. Approximately 90% of the City's current outstanding capital debt as of June 30, 2016 will be retired in the next 10 years as shown in the following graph:

SCHEDULE OF DEBT PAYOUT



Bond Referendum

The citizens of Greenville voted in favor of a bond referendum on November 3, 2015, authorizing the City to raise funds through the sale of bonds for five identified street and pedestrian transportation improvement projects. The City will issue up to \$15.85 million in general obligation bonds over seven years, and the issuance of debt in various amounts can occur at several different times throughout the seven years. The bond referendum was required because the City's current property tax rate does not have the capacity to fund all of the transportation improvements up front. Waiting to secure funding for repairs and improvements would be more costly due to continued deterioration of existing roadways and increasing interest rates, while certain improvements must be undertaken concurrently with other projects. The City will be issuing approximately \$8 million in bonds in FY 2017 to fund the first phase of projects as included in the bond referendum.

Street & Pedestrian Transportation Improvements Bond

5,850,000
\$ 750,000
1,400,000
1,750,000
1,950,000
0,000,000
1



63% Street Improvements

12% West 5th Street Streetscapes

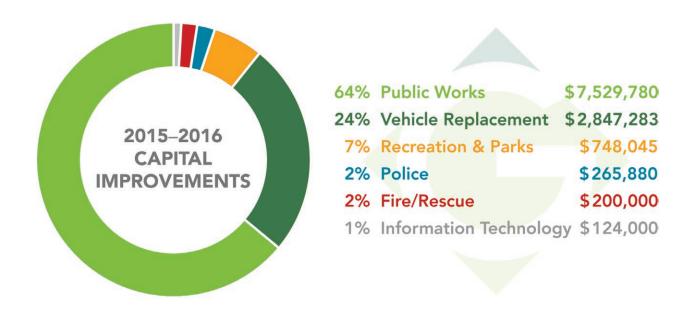
11% 10th Street Connector

9% Sidewalks

5% East Side Greenway

Capital Improvements

Infrastructure, transportation, parks, and buildings are the foundation of a community. The projects in the Capital Improvement Plan (CIP) provide basic necessities and amenities that make Greenville a desirable place to live, work, and play. To maintain a low tax rate, it is imperative that the CIP projects reflect the City's Strategic Plan and that capital improvements are incorporated in the annual operating budget. A few of the projects included in the City's CIP include street resurfacing, bus purchases, and building infrastructure, as well as renovations and repairs.





Central City Investment

Central city development is considered a primary source of economic development in Greenville. The ongoing \$546.9 million investment in the uptown area is a clear indication of continued revitalization and growth in Greenville. This investment will improve the city center and lay the groundwork for future growth in trade, investment, commerce, and continued improvements in the urban core. We expect to see an increase in visitors from surrounding areas traveling to uptown Greenville to shop for goods and

services, which will have an even greater positive impact on our city. Most obvious is the fact that our property tax revenues will increase substantially as a result of private investment. Through public and private partnerships, the investment in the central city is setting the stage for future economic growth that will further solidify Greenville as Eastern North Carolina's place to live, work, and play.

TOTAL INVESTMENT

\$546.9 M

1	1st Street Restriping	\$1 M
2	4th Street Parking Deck	\$5 N
3	Superblock	\$2 N
4	Cotanche/Reade Streetscape	\$1 N
5	The Boundary	\$42 N
6	Federal Courthouse	\$4 N
7	DAPH & Trollingwood	\$1 N
8	Go Science	\$2 N
9	Town Common	\$1 N
10	Trillium Headquarters	\$1.1 N
11	Uptown Theater	\$1.5 N
12	Uptown Brewery	\$500 K
13	Whirligig Stage Theater	\$175 k
14	Old Coca Cola Building	\$2.2 N
15	Old Cabinets Plus Building	\$400 k
16	Jefferson's Florist	\$550 K
17	10th Street Connector	\$37 N
18	ECU Student Union	\$120 N
19	ECU Student Services	\$60 N
20	Alumni Center / Hotel	\$17 N
21	Gather Uptown	\$30 N
22	Relocated City Parking	\$1.5 N
23	GTAC	\$8 N
24	Sidewalk Development	\$32 N
25	Dickinson Ave Improvements	\$12 N
26	ECU Millennial Campus	\$90 N
27	Campus Edge	\$54 N
28	Town Creek Culvert	\$20 N





Uptown Theater • 2017–2018 West Fifth Street



Tenth Street Connector • 2017 West Tenth Street



Gather: Uptown • late 2017 West Fifth & South Greene Streets



Greenville Transportation Activity Center 2018 • South Pitt Street & Bonners Lane



Dickinson Avenue Development • 2018
Dickinson Avenue & Reade Circle



Town Creek Culvert • 2017–2018 Uptown Stormwater Management Project

Other Future Projects

In addition to the featured projects listed above, there are many other projects to look forward to in 2017 and beyond. Future projects throughout the city include:

- Westpointe / West Side Park
- West Fifth Street Streetscapes
- Facilities maintenance & improvements
- Street repairs and improvements
- Additions to the Greenway Trail System



Find yourself in good company®

CONNECTIVITY & COMMUNICATION

As one of the first cities in North Carolina to have one gigabit internet service available, Greenville is well equipped to grow and prosper into the future. Fast download speeds make it easier than ever to stay connected to your city through the City Compass app, the City's website, social media, and the City's government access channel GTV9, available on local cable and online.













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