

11.12.15  
**City Council Meeting**

# *City of Greenville, NC*

2015 Audited Financial Statements

# *Audit Highlights*

- ▶ **Unmodified opinion**
- ▶ **General Fund fund balance: \$32,579,539**
- ▶ **Adoption of GASB 68/71 – Pension Standard**
  - Net Pension Asset of \$6,836,163
  - PPA for Adoption \$8,951,636
- ▶ **Change in Accounting of Loans Receivable**
  - Moved deferral related to loan receivable balances to non-spendable fund balance

# *Audit Highlights*

- ▶ **Opinion on Internal Control**
- ▶ **Management Letter**

# *Audit Highlights*

## *Federal and State Awards*

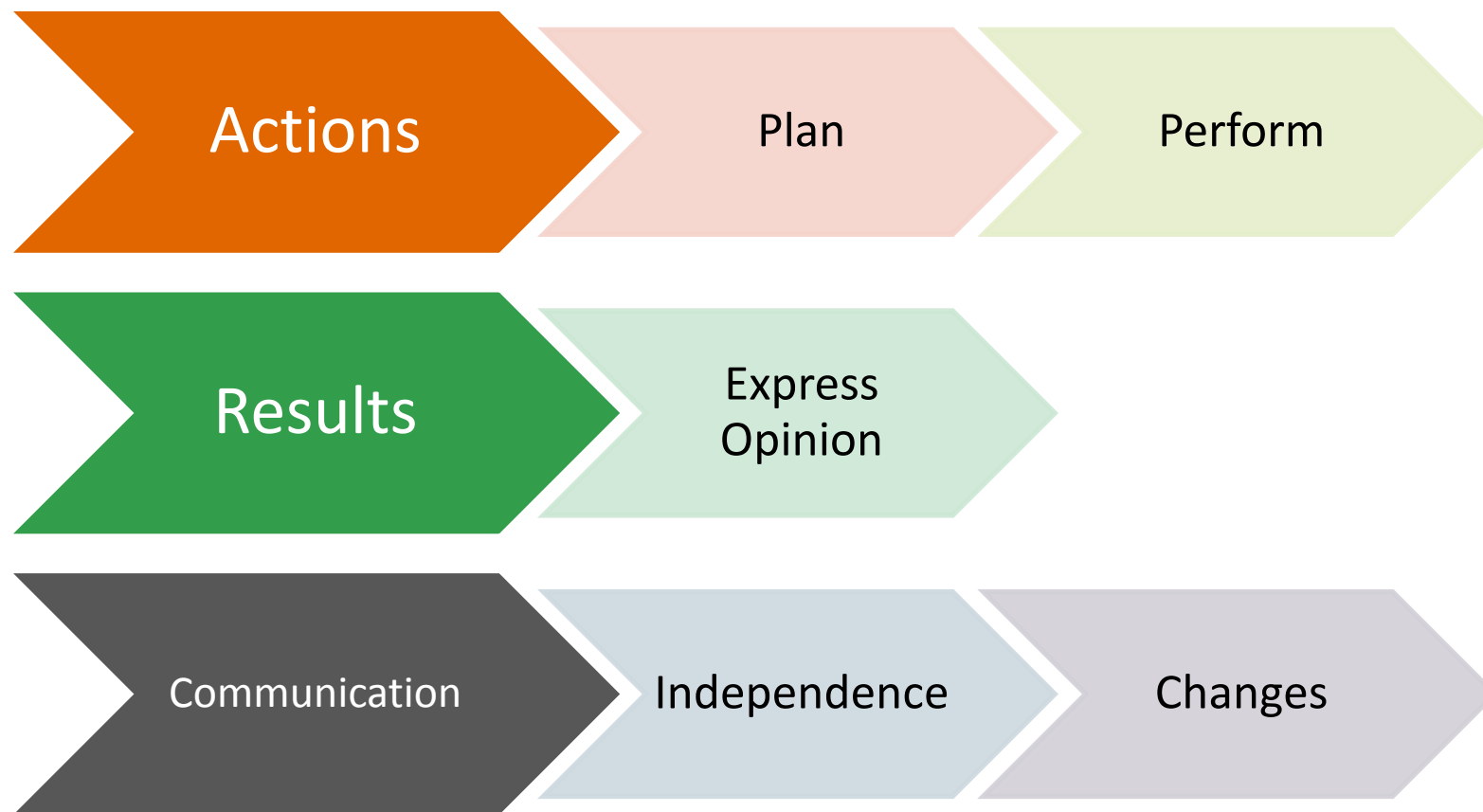
### **Opinion on Compliance:**

Unmodified opinion on compliance for all federal and state programs

### **Major Programs Tested:**

- ▶ Federal Transit Grants
- ▶ Capitalization Grants for Drinking Water State Revolving Loans
- ▶ Powell Bill Grant

# *Role of the External Auditor*



# Audit Highlights

## Available Fund Balance

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance

Less: Non spendable (not in cash form, not available)

Less: Stabilization by State Statute (by state law, not available)

Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

# Audit Highlights

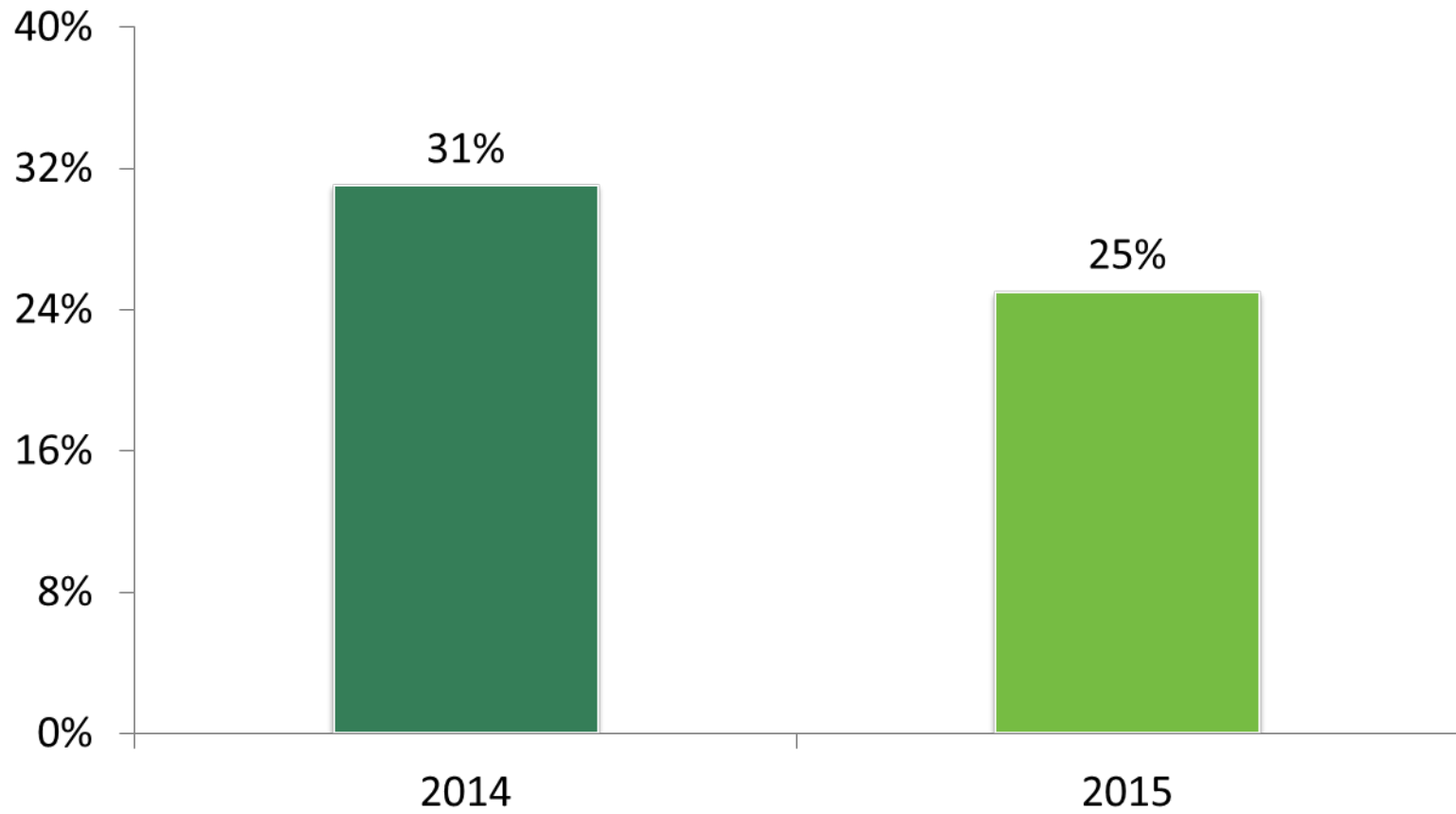
## Available Fund Balance – General Fund

Total Fund Balance	\$ 32,579,539
Non spendable	- 116,233
Stabilization by State Statute	<u>- 13,033,581</u>
Available Fund Balance	\$ 19,429,725
Available Fund Balance 2014	\$ 23,351,631
Decrease in Available FB	\$ 3,921,906



# Audit Highlights

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



# 2015 Results of Operations

- Audit Summary
- General Fund
  - Revenues
  - Expenses
- Budget to Actual Comparisons
- Fund Balance
- Capital Reserve
- Other Funds

# 2015 Results of Operations

Auditors Presented an Unmodified Opinion  
Unassigned Fund Balance Policy >14%

# General Fund Summary

<b>TOTAL REVENUES</b>	<b>\$77,407,670</b>
<b>TOTAL EXPENSES</b>	<b><u>\$76,242,206</u></b>
<b>NET</b>	<b>\$1,156,464</b>

\* Difference 1.5%

# General Fund Revenues

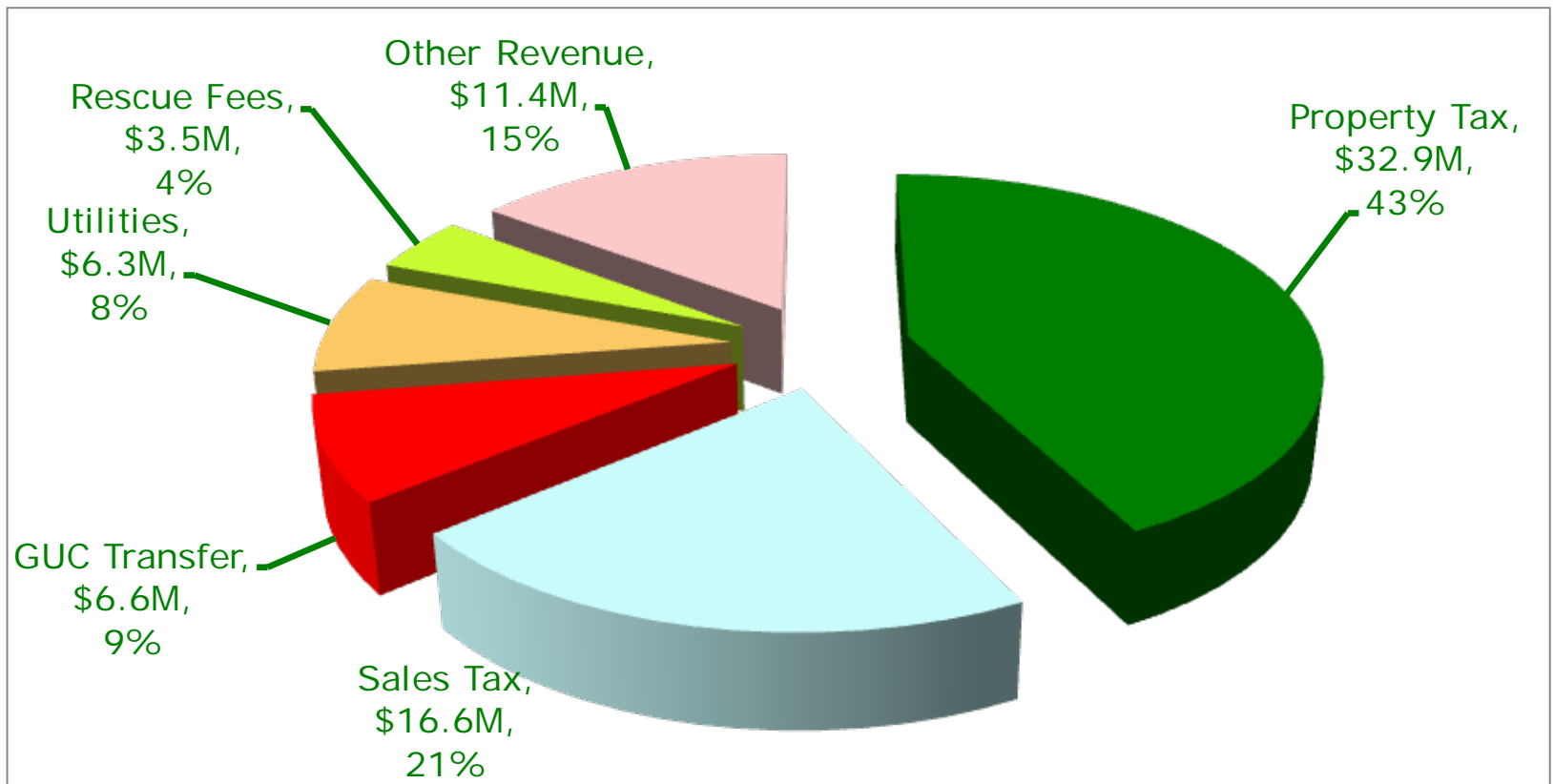
**Total  
Revenue  
Increase  
4% or  
\$2.9M**

Tax Rate  
Increased from  
\$.52 to \$.54

Utilities  
Franchise Tax  
Increased 16%

Sales Tax  
Increased 12%

# Top 5 Revenues: General Fund



# General Fund Revenues

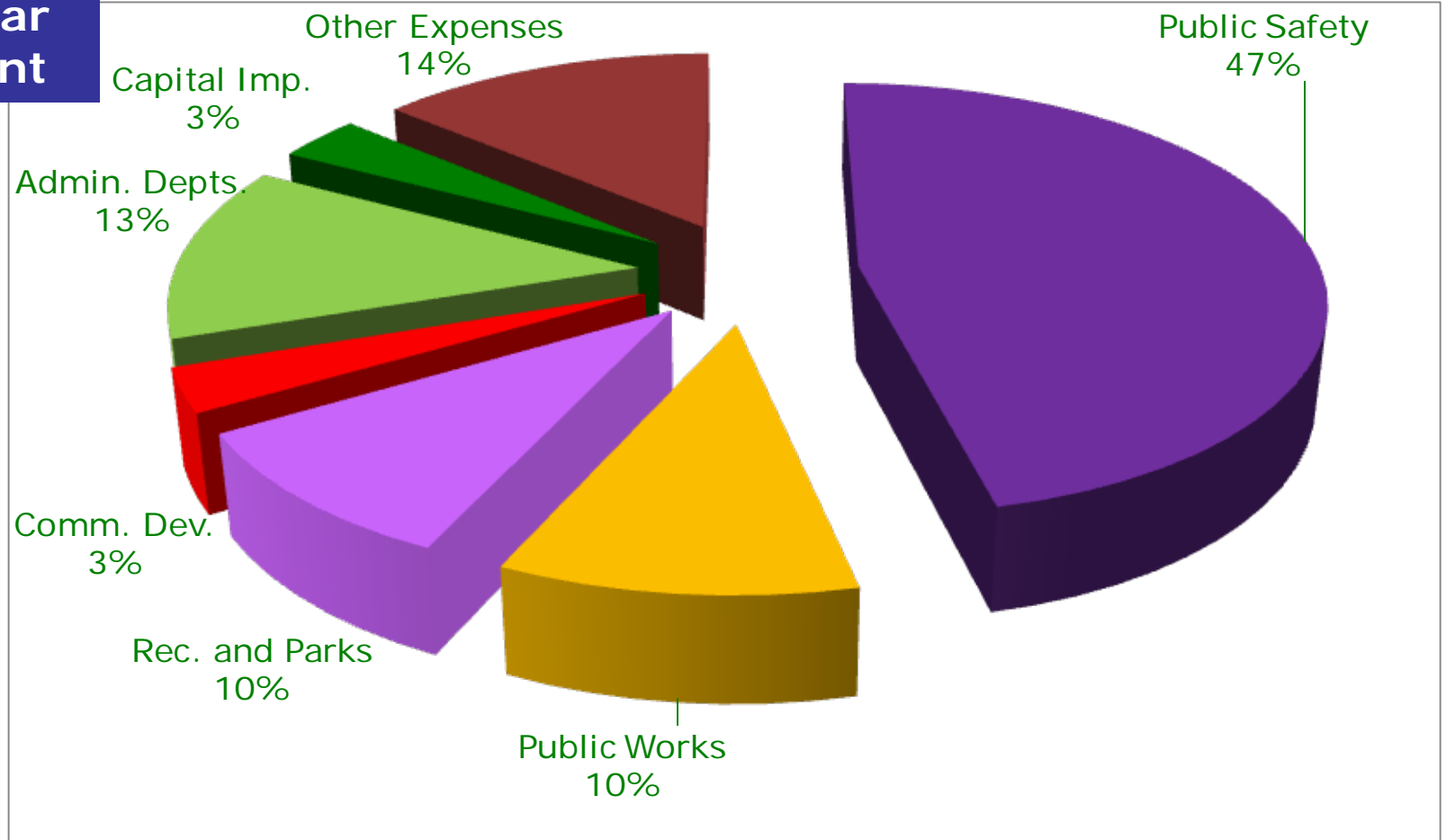
Revenues:	<u>FY 2015</u>	<u>FY 2014</u>	<u>% Change</u>
Property Taxes	\$ 32,956,190	\$ 32,255,697	2%
Other Taxes	17,624,101	15,827,568	11%
Intergovernmental	9,735,594	9,076,830	7%
Licenses, Fees, Sales & Services	9,583,770	7,468,988	28%
Other Revenues	<u>7,508,015</u>	<u>9,843,974</u>	(24%)
<b>Total Revenues</b>	<b>\$ 77,407,670</b>	<b>\$ 74,473,057</b>	<b>4%</b>

# Budget vs. Actual Revenues

Revenues:	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Difference</u>
Property Taxes	\$ 34,099,005	\$ 32,956,190	\$ 1,142,815
Other Taxes	16,264,519	17,624,101	(1,359,582)
Intergovernmental	10,249,773	9,735,594	514,179
Licenses, Fees, Sales & Services	8,059,937	9,583,770	(1,523,833)
Other Revenues	<u>15,794,871</u>	<u>7,508,015</u>	<u>8,286,856</u>
<b>Total Revenues</b>	<b>\$ 84,468,105</b>	<b>\$ 77,407,670</b>	<b>\$ 7,060,435</b>



**For  
Every  
Dollar  
Spent**



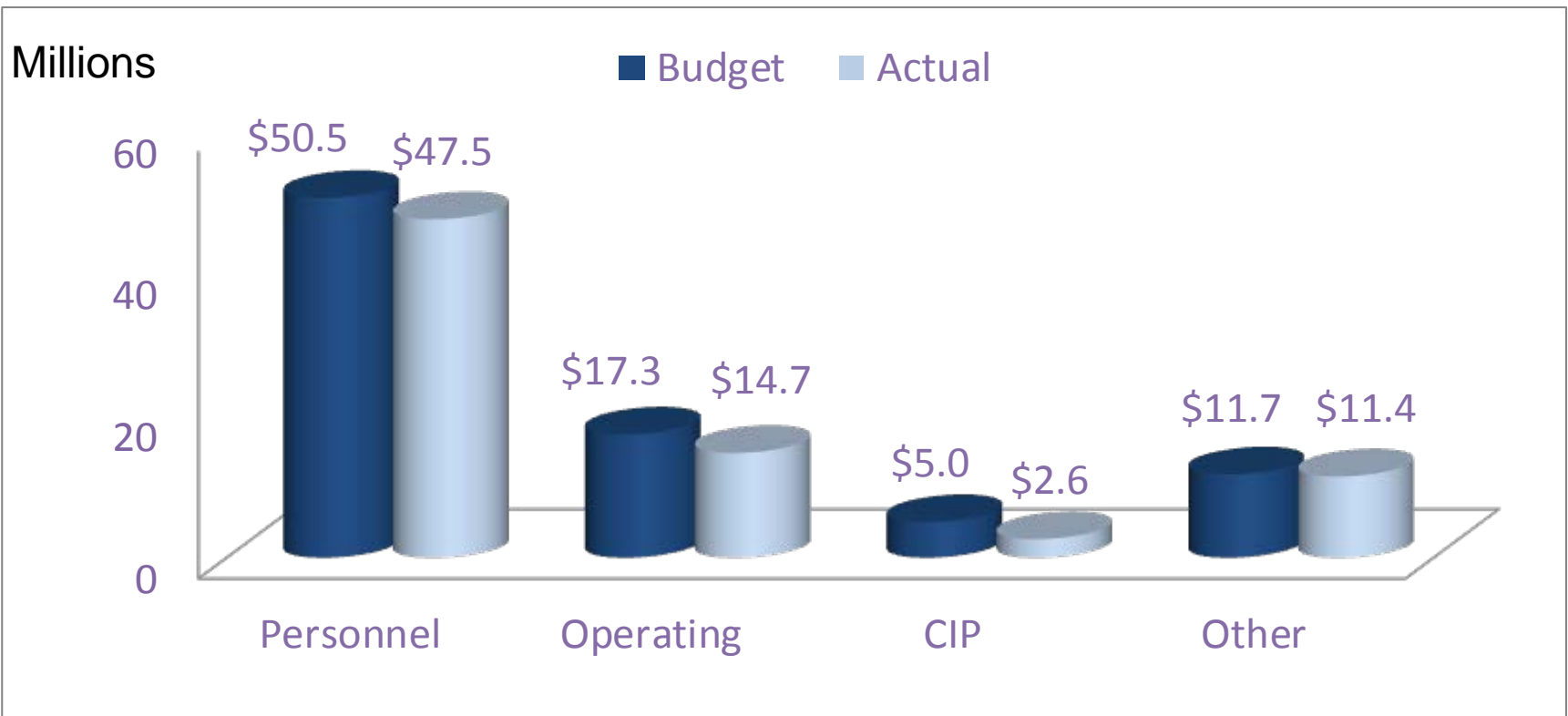
# Spending by Department

	<u>FY 2015</u>	<u>FY2014</u>	<u>Change</u>
Public Safety	\$35,414,546	\$35,642,132	↓ (<1%)
Public Works	7,924,225	8,102,437	↓ (2%)
Rec/Parks	7,400,170	7,429,094	↓ (<1%)
Comm. Develop.	2,466,066	2,234,844	↑ 10%
Admin. Depts.	9,917,094	9,405,258	↑ 5%
Capital Improvements	2,596,181	3,590,692	↓ (28%)
Other Expenses	<u>10,523,924</u>	<u>7,695,813</u>	↑ 37%
Total Expenses	\$76,242,206	\$74,100,270	↑ 3%

# Budget vs. Actual Expenses

	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Difference</u>
Public Safety	\$37,799,182	\$35,414,546	\$2,384,636
Public Works	9,085,033	7,924,225	1,160,808
Rec/Parks	7,739,618	7,400,170	339,448
Comm. Develop.	2,685,967	2,466,066	219,901
Admin. Depts.	11,360,715	9,917,094	1,443,621
CIP	5,015,139	2,596,181	2,418,958
Other Expenses	<u>10,785,258</u>	<u>10,523,924</u>	<u>261,334</u>
Total Expenses	\$ 84,470,912	\$76,242,206	8,228,706

# Expenses



# Expenses Delayed

- Lapse Salaries \$ 3.0 Million
- Unspent Capital Imp. \$ 2.4 Million

# General Fund Summary

Revenues up  
4% -

Partially due  
increased Sales  
and Utilities  
Taxes

Expenses up  
3%

One time  
expense for  
Street  
Improvement,  
\$2.65 million

City remained  
within the 14%  
Unassigned Fund  
Balance Policy  
Fund Balance  
position  
increased  
\$1,165,434 or  
4%

# Fund Balance Position

Fund Balances:	<u>FY 2015</u>	<u>FY 2014</u>	<u>% Change</u>
Nonspendable	\$ 116,233	\$ 215,226	-46%
Restricted	16,168,556	10,848,031	49%
Committed	2,276,781	2,276,781	- %
Assigned	1,591,683	1,964,421	-19%
Unassigned	<u>12,426,286</u>	<u>16,108,088</u>	<u>-23%</u>
<b>Total Fund Balance</b>	<b>32,579,539</b>	<b>31,412,547</b>	<b>4%</b>

# Capital Reserve Transfer

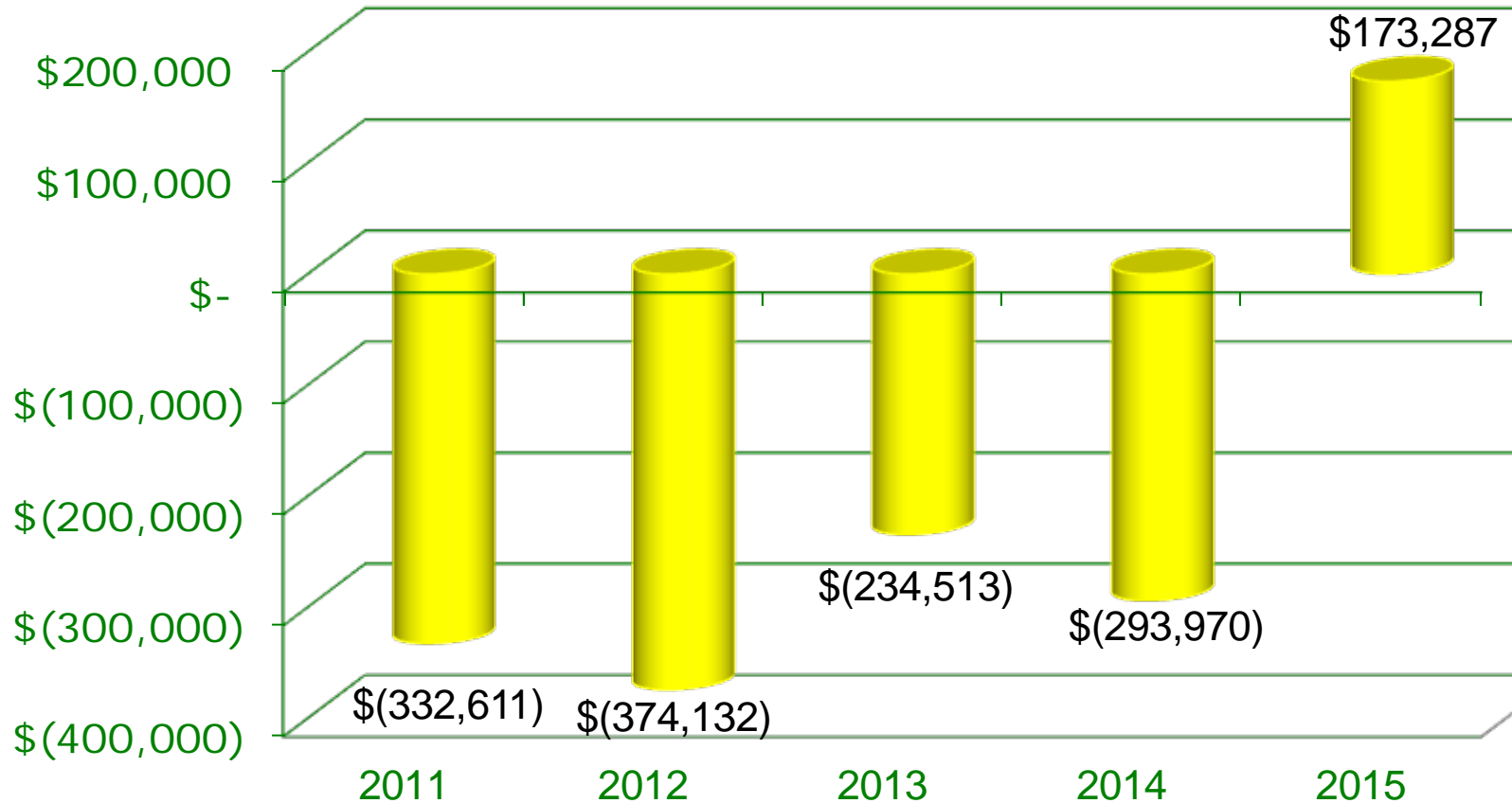
2015-2016 General Fund <u>Budget</u>	<u>Percent</u>	<u>Total Balance Required</u>	<u>Unassigned Fund Balance</u>	<u>Amount Available For Transfer</u>
74,867,198	14%	10,481,408	12,426,286	1,944,878
	\$ 1,944,878	Amount Available for Transfer to Capital Reserve Fund@ 14% Budget Ordinance Amendments (FY 2014-2015), through November, 2015		
	<u>(497,577)</u>			
	\$ <u>1,447,301</u>	Amount Available to transfer, above the 14% Fund Balance Policy for Capital Improvements		
	53,965	Capital Reserve Interest (Unallocated)		
	\$ 1,501,266	Total Amount Available for Capital Improvements		



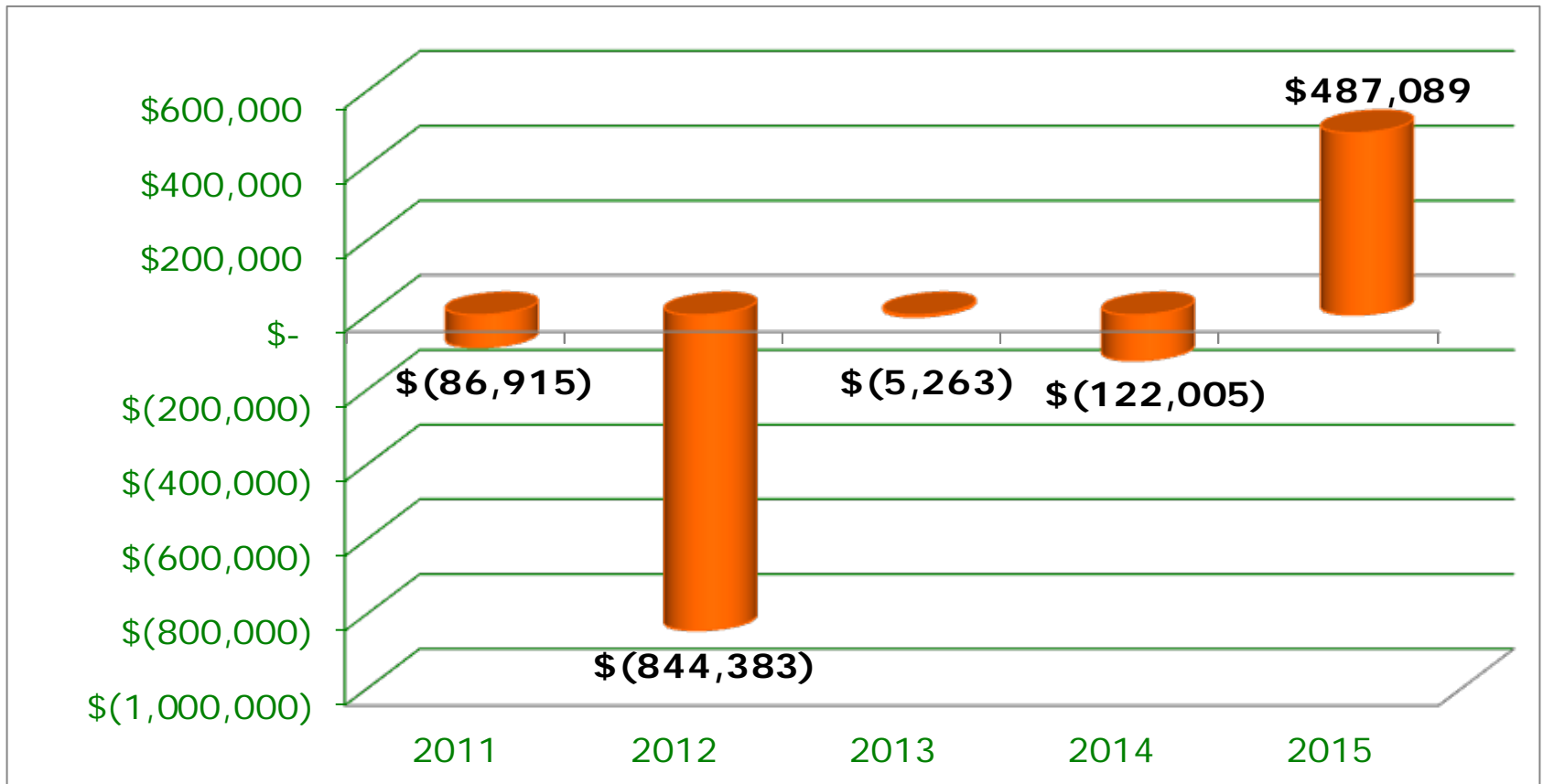
# Fund Balance Comparison

<u>MUNICIPALITY</u>	<u>POPULATION</u>	<u>FUND BALANCE AVAILABLE</u>	<u>FBA as a % of GF Expenses</u>
CONCORD	83,279	\$ 40,536,219	56.71
ASHEVILLE	88,003	22,028,789	24.56
GASTONIA	72,947	17,732,001	31.82
GREENVILLE('14)	89,130	23,351,631	31.00
<b>Greenville ('15)</b>	<b>89,852</b>	<b>19,429,725</b>	<b>25.00</b>
HIGH POINT	107,642	22,294,895	20.62
JACKSONVILLE	78,190	13,677,946	32.40

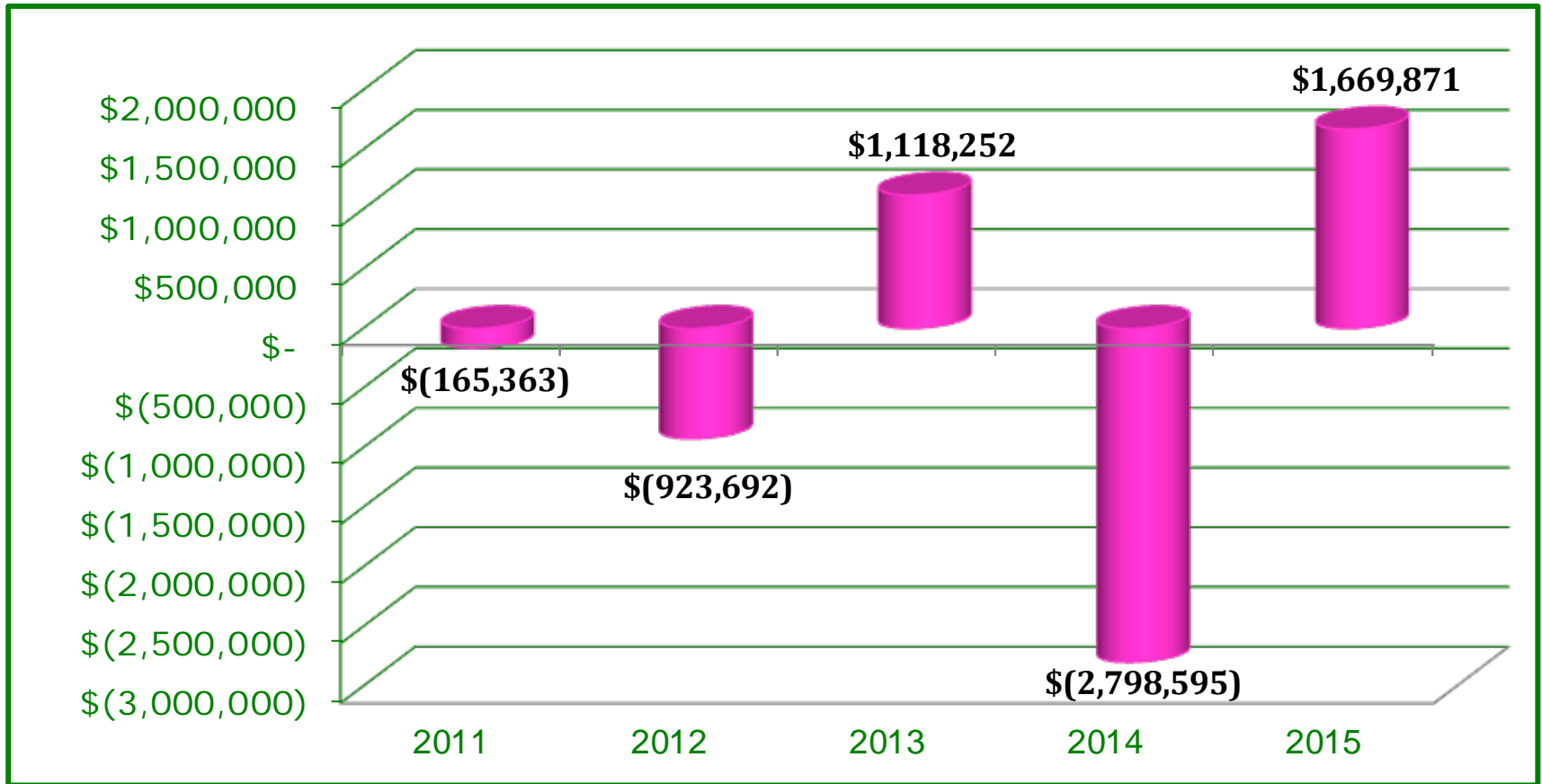
# Transit Fund



# Sanitation Fund



# Stormwater Fund



# Year End Summary

Revenues Increased \$2.9M or 4%  
Expenses Increased \$2.1M or 3%  
Fund Balance Increased \$1.2M or 4%

# Year End Summary

Auditors Presented an Unmodified Opinion  
Unassigned Fund Balance Policy >14%

# Recommendation:

**City Council Accepts the Auditor Opinion, Audited Financial Statements, and Presentation on the Results of Operations.**

# Questions