



Greenville
NORTH CAROLINA

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Comprehensive Annual Financial Report

For fiscal year ending
June 30, 2016



CITY OF GREENVILLE, NORTH CAROLINA

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

As of and for the Year Ended June 30, 2016

And Report of Independent Auditors

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FY 2016 Comprehensive Annual Financial Report

INTRODUCTION

October 31, 2016



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

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Greenville, NC for the fiscal year ended June 30, 2016. State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published in accordance with Generally Accepted Accounting Principles (GAAP), as mandated by the Governmental Accounting Standards Board.

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. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

Cherry Bekaert LLP, a firm of licensed certified public accountants, has issued an unmodified opinion on the City of Greenville's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report. The independent auditor's aim is to ensure that the City of Greenville's financial statements for the fiscal year ended June 30, 2016 are free of material misstatement.

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.

This report may be obtained by visiting the City's website at <http://www.greenvillenc.gov>.

Profile of the City

Founded in 1771, as Martinsborough (named for the Royal Governor Josiah Martin, and later named for General Nathanael Greene), the City of Greenville, North Carolina, is located in the eastern part of the state, which is considered to be one of the top growing areas in eastern NC and the state. Affectionately referred to as the "Hub of Eastern North Carolina", the City of Greenville is the 10th largest city in 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. 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 90,597.

The City of Greenville 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 full range of services the City provides includes 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.

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. This annual budget serves as the foundation for the City of Greenville's financial planning and control. 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.

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. Major industries located within Greenville's boundaries or in close proximity which includes a hospital, retail stores, and several financial institutions and insurance companies. Greenville is the home of 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. ECU received national recognition for four of their online graduate programs in 2016, tying for 14th place out of 252 schools. In the educational area, ECU is the third-largest university in North Carolina with more than 28,000 students and more than 5,500 faculty and staff. 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. Vidant's newest endeavour marks their renewed commitment to cancer care as the construction of the new Vidant Health Cancer Center is underway. The new Cancer Center, set to open in 2018, will be a 6-story, 96-bed facility encompassing 418,000 square feet.

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.

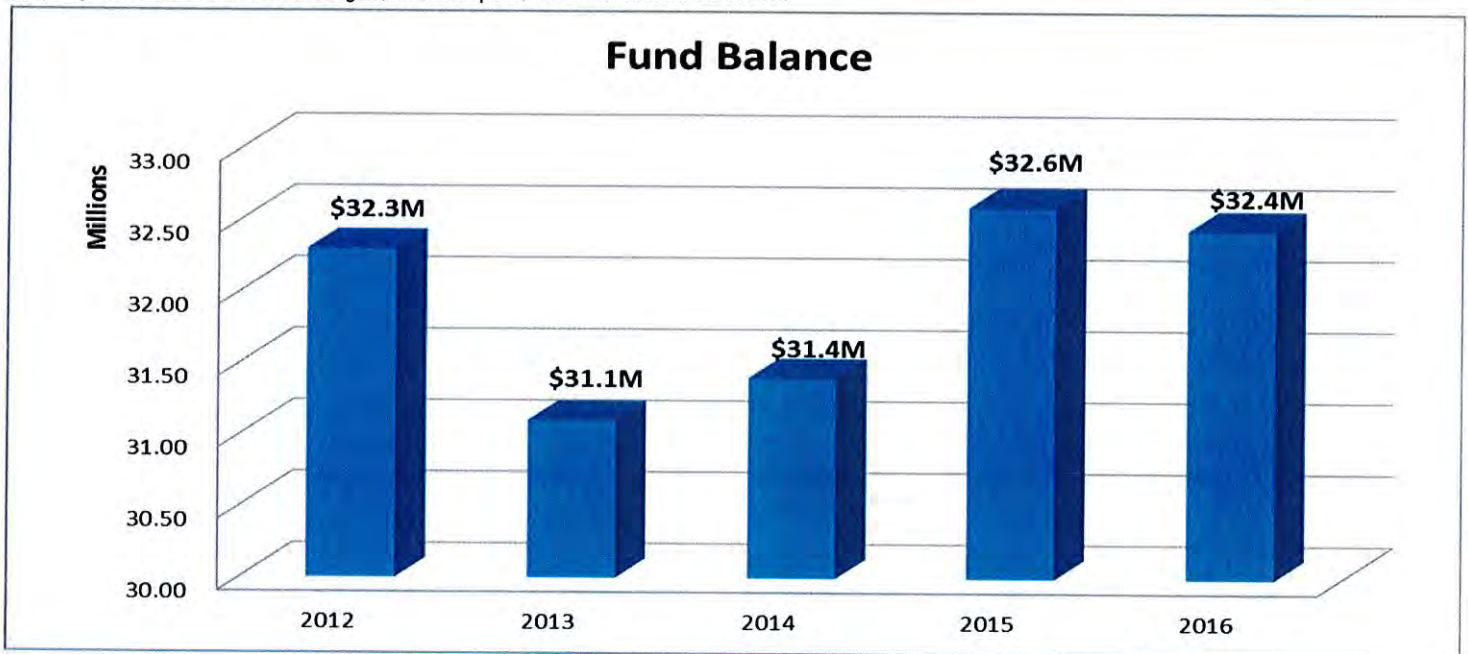
Pitt Community College (PCC) is sixth largest in North Carolina's 58 campus community college system. PCC offers a wide variety of business and industrial curriculum classes via the Internet, telecourses, as well as community-based continuing education courses for students in the Greenville area. Shaw University has an extension of the Center for Alternative Programs in Education (CAPE) in Greenville. 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. Mayne-Pharma and Patheon Pharmaceuticals are both important components of this cluster. Mayne-Pharma was named the 2015-2016 Pitt County Industry of the Year in February of 2016.

With much of Greenville's manufacturing located outside of the City limits, but inside the extra-territorial jurisdiction (ETJ), this provides stable employment for Greenville's residents. However, this 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 industries, 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's FY 2016 budget represented less than a 1% decrease from the FY 2015 total. Revenue estimates were decreased to provide a more accurate and conservative representation of historical trends. Disparities in salaries and benefits were eliminated with a 3% vacancy rate and health insurance allocation reduction. Added operating budget reductions resulted in additional funding for additional street maintenance, the 5-year true-up Compensation Study, a 2% employee salary increase, South Greenville Recreation Center debt service, and Town Common and Tar River Legacy Plan capital projects. In FY 2016, \$17.3 million in Sales tax was collected, increasing 4% when compared to prior year. This increase is due to the increased retail opportunities that have been developed in the City. 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. Additionally, the FY 2016 property tax rate remained unchanged, at \$0.53 per \$100 of assessed valuation.



Based on revenues of \$77.6 million and expenses of \$77.7 million, the City's General Fund experienced a net decrease in fund balance of \$137,428; therefore, only having to use a minimal portion of the original appropriation for the year.

The City of Greenville maintains a healthy total fund balance of approximately \$32.4 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 \$35 million. Total City debt is \$180 million.

As of June 30, 2016, 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 for Street and Pedestrian Transportation projects that was passed by 71% of the citizens.

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 (CAFR) for the fiscal year ended June 30, 2015. This was the twenty-seventh consecutive year that Greenville has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

The CAFR for the fiscal year ended June 30, 2016 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements.

This report would not have been prepared and made possible without the skill, effort, and dedication of the entire staff of the Financial Services Department. 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. In addition, the City of Greenville departments are commended for their assistance in providing the data necessary to prepare this report.

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

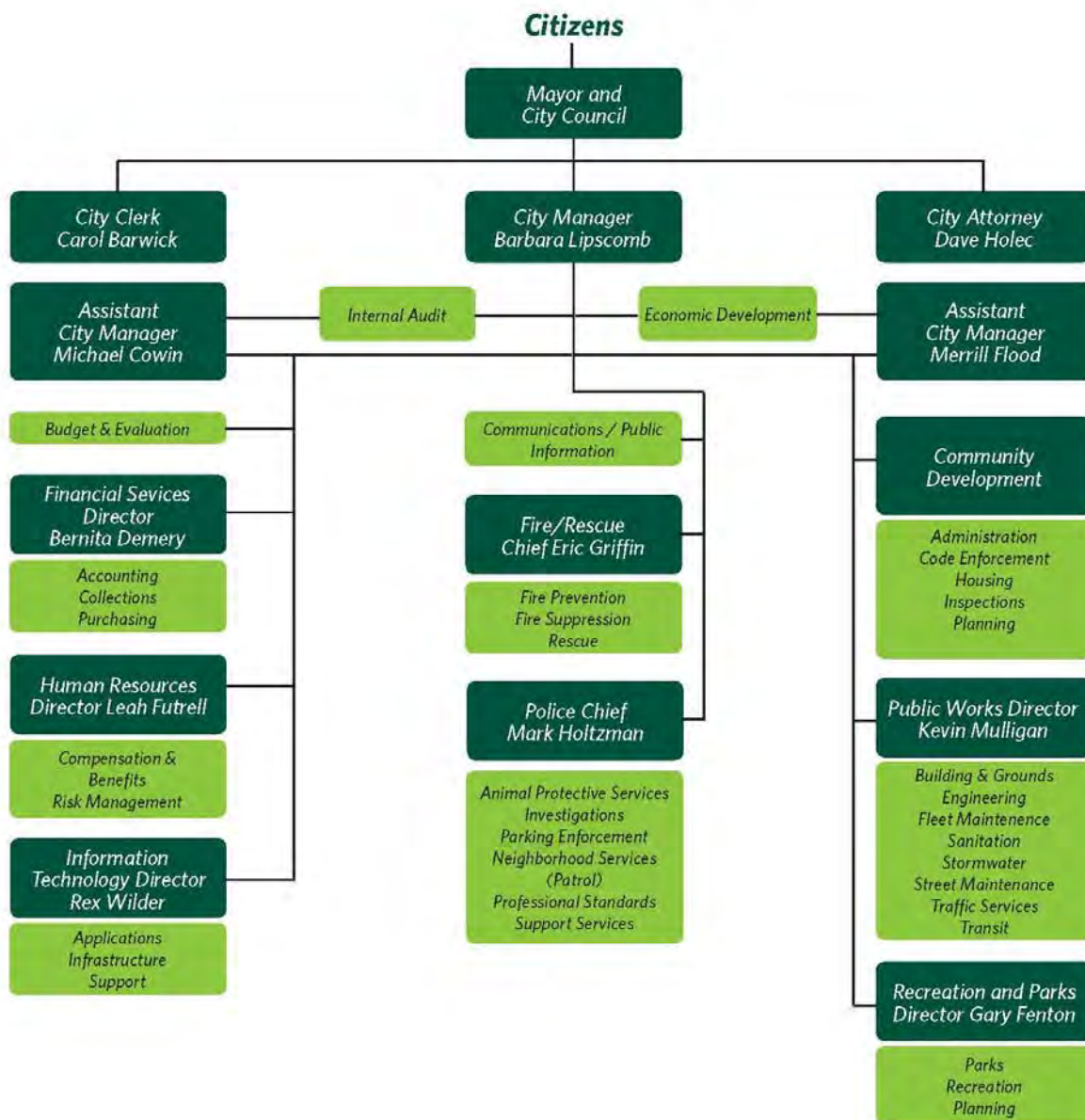
June 30, 2015

Executive Director/CEO

CITY OF GREENVILLE, NORTH CAROLINA
ORGANIZATION CHART



Find yourself in good company



CITY OF GREENVILLE, NORTH CAROLINA
CITY OFFICIALS

CITY OFFICIALS

Greenville has been governed by the council-manager governmental structure since 1953. Under this form of government, the City Council, which is elected by the people, is the final authority on policy matters relating to Greenville’s government. The City Council employs a professional City Manager to handle the day-to-day management and operations of the City.

The Mayor and City Council are the governing body of the City. The Mayor acts as the official head of the government and spokesperson for the Council. The Mayor presides at all City Council meetings and signs all documents authorized by the Council. The Mayor Pro-Tem is selected by each newly-elected Council. This person assumes mayoral duties in the absence of the Mayor. The Mayor and City Council are responsible for establishing general policies for the operation of the City as well as appointing the City Manager, City Attorney, City Clerk, and members of the volunteer Boards and Commissions. The Council enacts ordinances, resolutions, and orders; adopts the annual budget; approves the financing of all City operations; and authorizes contracts on behalf of the City.



Mayor Allen Thomas



Mayor Pro-tem
Kandie Smith
District 1



Calvin Mercer
Council Member at-Large



Council Member
Rose Glover
District 2



Council Member
McLean Godley
District 3



Council Member
Rick Smiley
District 4



Council Member
P. J. Connelly
District 5



FY 2016 Comprehensive Annual Financial Report
FINANCIAL SECTION

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, 2016, 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, 2016, and the respective changes in financial position and cash flows, 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.

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 introduction section, other supplementary information, the statistical section, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 other 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 other 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 introduction 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 October 31, 2016, 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
October 31, 2016

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016. 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, 2016 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 \$578,791,319 (*net position*). Of this amount, \$134,631,192 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$37,437,220. The City's net position changed due to Governmental Activities and Business-type activities by \$7,932,034 and \$29,505,186, respectively. The Governmental Activities experienced a 10% increase due to the overall moderate increases in revenue for the fiscal year. The business-type activities increased due to positive operating revenues directly influenced by fee increases. It is also important to note that the City of Greenville implemented a new account and financial reporting system that resulted in a prior period adjusted of \$1,258,041, as a result of the underlying capital asset work that was needed.
- The City of Greenville's governmental funds reported combined ending fund balances of \$43,317,828, a small increase of \$44,239, in comparison with the prior year. Approximately 51% of the total fund balance, within the General Fund, or \$22,217,075, is available for spending at the government's discretion. Of this amount, 82% is considered unassigned fund balance. The Governmental Fund Unassigned fund balance increased \$10,284,200 as a result of the City reimbursing other funds more timely to mitigate negative cash amounts at the end of the year, which impacted the Stabilization by state statute calculation in prior year. Approximately 31% of the total General Fund's fund balance amount, or \$10,225,036, is non-spendable or restricted.
- Unassigned fund balance for the General Fund was \$18,144,300, or 23% 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 decreased by \$137,428, when compared to prior year. Overall, the expenditures increased at a faster rate than revenues, having increases of three percent and less than one percent, respectively. There was nothing unusual and/or significant that caused the variance during the year.
- The City of Greenville's total debt, including the Greenville Utilities Commission (GUC) managed debt (excluding Law Enforcement Officer Separation Allowance, OPEB and Compensated Absences liabilities) had a net increase of \$38.1 million during the current fiscal year due largely to GUC issuing \$62,685,000 in new revenue bonds during the year, \$22,790,000 of which was used to defease existing debt.

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

- A debt refunding of approximately \$10.50 million in General Obligation Bonds, Series 2003 and 2006, occurred in FY 2016, saving the city approximately \$1.5 million in debt service over the next ten years. In 2017, the City will finance approximately \$8 million in projects as included in the 2015 voter approved General Obligation Bond.

In addition, the City recognized the following accomplishments:

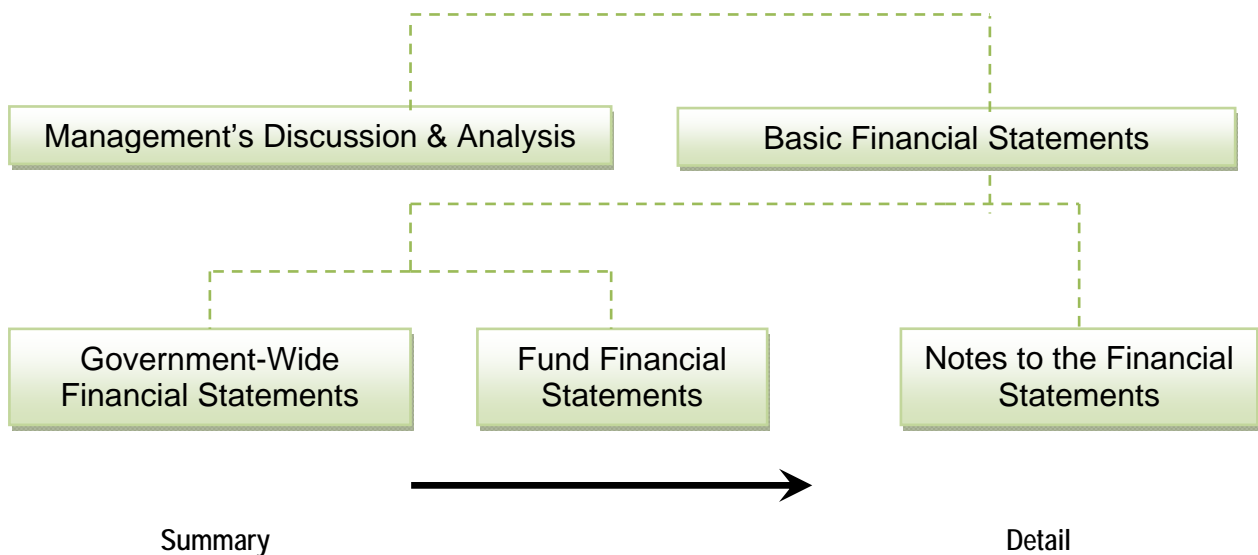
- For the 26th consecutive year, the GFOA of the United States and Canada has bestowed the highest form of recognition of governmental accounting and financial reporting, the Certificate of Achievement for Excellence in Financial Reporting, to the City of Greenville.

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



CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016 (as shown in Exhibit A) with comparative data for June 30, 2015.

City of Greenville's Net position
Figure 2

	Government Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 61,981,856	\$ 65,668,989	\$ 173,211,226	\$ 122,115,407	\$ 235,193,082	\$ 187,784,396
Investment in joint venture	21,242,806	21,242,806	-	-	21,242,806	21,242,806
Capital assets, non-depreciable	83,172,106	83,899,739	69,714,346	59,184,566	152,886,452	143,084,305
Capital assets, net	104,569,981	99,633,799	318,377,052	317,581,313	422,947,033	417,215,112
Deferred outflows of resources	<u>3,337,430</u>	<u>3,385,072</u>	<u>4,643,509</u>	<u>3,111,357</u>	<u>7,980,939</u>	<u>6,496,429</u>
Total Assets and deferred outflows of resources	\$ 274,304,179	\$ 273,830,405	\$ 565,946,133	\$ 501,992,643	\$ 840,250,312	\$ 775,823,048
Long-term liabilities outstanding	\$ 63,067,363	\$ 61,655,447	\$ 163,587,338	\$ 120,783,792	\$ 226,654,701	\$ 182,439,239
Other liabilities	7,512,117	7,127,987	24,003,666	26,665,915	31,515,783	33,793,902
Deferred inflows of resources	<u>2,103,307</u>	<u>9,837,985</u>	<u>1,185,202</u>	<u>7,139,782</u>	<u>3,288,509</u>	<u>16,977,767</u>
Total liabilities and deferred inflows of resources	\$ 72,682,787	\$ 78,621,419	\$ 188,776,206	\$ 154,589,489	\$ 261,458,993	\$ 233,210,908
Net position:						
Investments in capital assets, net						
investment in capital assets	\$ 157,082,030	\$ 154,683,990	\$ 272,072,886	\$ 277,247,666	\$ 429,154,916	\$ 431,931,656
Restricted	15,405,649	16,887,263	-	-	15,405,649	16,887,263
Unrestricted	<u>29,133,713</u>	<u>23,637,733</u>	<u>105,097,041</u>	<u>70,155,488</u>	<u>134,230,754</u>	<u>93,793,221</u>
Total net position	\$ 201,621,392	\$ 195,208,986	\$ 377,169,927	\$ 347,403,154	\$ 578,791,319	\$ 542,612,140

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 \$578,791,319 (*net position*). The City's net position increased by \$37,437,220 for the fiscal year ended June 30, 2016, when compared to prior year. However, the largest portion (74%) 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, \$15,405,649, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$134,230,754 can be used to meet the City's ongoing obligations to citizens and creditors (*unrestricted*).

CITY OF GREENVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 its last install for an agreement over seven years for sanitation carts. The Utilities Commission's total debt increased by \$39,575,015 (39.3%) during the current fiscal year.
- Property tax collection percentage of 99.4%.

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	
	2016	2015	2016	2015	2016	2015
Revenues						
Charges for services	\$ 10,798,006	\$ 10,307,074	\$ 262,428,921	\$ 285,391,126	\$ 273,226,927	\$ 295,698,200
Operating grants and contributions	2,504,889	3,211,482	-	804,120	2,504,889	4,015,602
Capital grants and contributions	6,915,475	2,788,257	2,121,259	3,104,709	9,036,734	5,892,966
General Revenues:	-	-	-	-	-	-
Ad valorem taxes	32,999,892	32,501,704	-	-	32,999,892	32,501,704
Other taxes	13,564,423	13,204,162	-	-	13,564,423	13,204,162
Other	13,790,872	14,152,660	329,802	283,767	14,120,674	14,436,427
Total Revenues	\$ 80,573,557	\$ 76,165,339	\$ 264,879,982	\$ 289,583,722	\$ 345,453,539	\$ 365,749,061
Expenses						
General governmental	28,646,538	25,010,978	-	-	28,646,538	25,010,978
Public Safety	26,907,148	26,262,412	-	-	26,907,148	26,262,412
Transportation	7,172,037	5,939,122	-	-	7,172,037	5,939,122
Cultural and recreation	4,589,132	5,765,059	-	-	4,589,132	5,765,059
Economic and physical development	11,081,257	10,780,719	-	-	11,081,257	10,780,719
Interest and fees	949,176	1,033,931	-	-	949,176	1,033,931
Electric	-	-	157,838,593	189,010,144	157,838,593	189,010,144
Water	-	-	16,281,026	16,201,120	16,281,026	16,201,120
Sewer	-	-	18,261,803	17,667,203	18,261,803	17,667,203
Gas	-	-	25,519,090	31,718,396	25,519,090	31,718,396
Public Transportation	-	-	2,129,785	3,405,651	2,129,785	3,405,651
Bradford Creek Golf Course	-	-	-	-	-	-
Stormwater Utility	-	-	2,525,857	5,836,679	2,525,857	5,836,679
Sanitation	-	-	6,114,877	6,940,972	6,114,877	6,940,972
Total Expense	\$ 79,345,288	\$ 74,792,221	\$ 228,671,031	\$ 270,780,165	\$ 308,016,319	\$ 345,572,386
Increase in net position before transfers	1,228,269	1,373,118	36,208,951	18,803,557	37,437,220	20,176,675
Transfers	6,703,765	5,803,600	(6,703,765)	(5,803,600)	-	-
Increase in net position	\$ 7,932,034	\$ 7,176,718	\$ 29,505,186	\$ 12,999,957	\$ 37,437,220	\$ 20,176,675
Net position, July 1	195,208,986	193,035,273	347,403,154	338,351,828	542,612,140	531,387,101
Restatement	(1,519,628)	(5,003,005)	261,587	(3,948,631)	(1,258,041)	(8,951,636)
Beginning of year restated	\$ 193,689,358	\$ 188,032,268	\$ 347,664,741	\$ 334,403,197	\$ 541,354,099	\$ 522,435,465
Net position, June 30	\$ 201,621,392	\$ 195,208,986	\$ 377,169,927	\$ 347,403,154	\$ 578,791,319	\$ 542,612,140

CITY OF GREENVILLE, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities: Governmental activities increased the City's net position by \$7,932,034. Of total net position, governmental activities accounted for \$201,621,392, or 35%. Key elements of this increase are as follows:

- Property tax increased approximately 1.5% due in large to growth, as there was a reduction in the tax rate from \$.54 to \$.53, as directed by City Council. Additionally, Sales tax and the Utilities Franchise tax increased, 4% and 11%, 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 \$377,169,927 total net position, the Greenville Utilities Commission has net position of \$366,521,880, or 97.2% as of June 30, 2016. Of this amount, \$101,796,648 (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 28% of total Commission expenses for the fiscal year. Overall, business-type activities increased the City of Greenville's net position by \$29,766,773, of which the Commission contributes 83% of that change. Operating revenues for GUC decreased by \$24,778,103 or 9.1% and total revenues decreased by \$23,603,990 or 8.6%. During the year the Commission entered into a new electric power supply agreement that resulted in a 7% reduction in retail electric rates. Operating revenues for natural gas were \$9,045,306 or 24.7% lower than last year due to market factors. During the year the Water Fund's operating revenues increased \$1,102,551 or 6.4% and the Sewer fund's operating revenues increased by \$1,990,655 or 10.3%.

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 \$22,217,075, while total fund balance was \$32,442,111. 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 28.56% of total General Fund expenditures, while total fund balance represents 41.71% 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 budgeted operational expenses. As of June 30, 2016, the governmental funds of the City of Greenville reported a combined fund balance of \$43,317,828, which is a less than one percent increase from prior year.

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 \$4,259,272. When compared to the adjustments proposed last year, this is a 28% decrease. The decrease is due to the timing of the street improvements project which was appropriated during the prior year.

CITY OF GREENVILLE, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund's operational revenues exceeded expenditures by \$3,491,240 (before other financing sources), decreasing 42% from the change experienced in FY 2015. General Fund total revenues increased less than one percent, with operating revenue decreased one percent. Operational expenditures increased \$1,827,270, or 3%. Inclusive of other financing sources, General Fund expenditures exceeded revenues by \$137,428, decreasing over 100% from FY 2015's net result.

While the budget amendments for the year amounted to approximately \$4.3 million, actual operating revenues remained within budget by a 1% margin. As mentioned previously, in operational income, Sales tax and Utilities Franchise tax show small 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 decreased 62% due to the following: police fees decreased now that older billings have been caught up, and the inspection fees have leveled off due to the increased economic development in the prior year (i.e. the Cancer Center and increased student housing).

General Fund expenditures increased 2% in comparison to the prior year. Overall, all expenditure category variances were less than 5%; however Human Resources showed double digit variances when compared to prior year. The variance is due to the timing of increased retiree health insurance premiums for the fiscal year as well as the timing of worker's compensation payments. Also, the City Manager's Office budget experienced an increased variance due to the creation of the Office of Budget and Evaluation being added in FY 2016. Capital Improvement costs remained consistent with the previous year, with capital expenditures now being grouped within the department budgets. Overall, there was no unusual or significant activity noted within General Fund expenditures during FY 2016.

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, 2016, totals \$575,833,485 (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:

- Street Resurfacing – 1.86 M
- Greenville Transportation Activity Center Design - \$1.16 M
- Convention Center Expansion Construction - \$1.36 M

Utilities Commission major capital asset events included:

- Investment in Enterprise Resource Planning software configuration totaling \$4,384,024
- Electric distribution substations improvements totaling \$256,659
- Electric peaking generator program additions and improvements totaling \$3,863,614
- Electric underground distribution lines extensions and improvements totaling \$2,435,893
- Water treatment plant improvements totaling \$604,193
- Water main improvements and extensions totaling \$522,020
- Wastewater treatment plant improvements totaling \$1,812,256
- Construction activities for major sewer pumping stations totaling \$1,563,867
- Natural gas main improvements and extensions totaling \$4,363,088
- Natural gas metering station improvements totaling \$1,583,790
- Construction activities at the liquefied natural gas plant totaling \$418,424
- Construction activities at the natural gas vehicle fueling station totaling \$832,827

CITY OF GREENVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As referenced earlier, effective July 1, 2015, the City implemented a new accounting and financial reporting system with an underlying capital asset module. As a part of that implementation, management conducted an inventory of the City's assets and reviewed them for existence, proper classification and appropriate valuation, including accumulated depreciation. As a result of this review, management determined that additional classifications were needed to properly report the capital assets. Estimated lives for asset classifications were also reviewed and adjusted in some cases to better reflect the City's actual experience. Management also noted errors in the previous system's calculation of accumulated depreciation for some assets. As a result of this review, management has determined that adjustments to the classification and values of capital assets and to certain liabilities for the cost of certain assets as of June 30, 2015 are required. The effect on fund balance or net position as of June 30, 2015 is reflected in the statement of Net position.

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	
	2016	2015	2016	2015	2016	2015
Land	\$ 40,882,628	\$ 40,773,921	\$ 3,628,897	\$ 3,595,641	\$ 44,511,525	\$ 44,369,562
Right-of-Way Easement	8,017,213	7,419,133	66,405	51,382	8,083,618	7,470,515
Construction in Progress	34,272,271	27,240,944	66,019,044	46,379,134	100,291,315	73,620,078
Buildings/Plants	61,154,116	58,041,949	144,698,825	137,601,535	205,852,941	195,643,484
Other Improvements	6,930,013	8,848,922	2,854,344	-	9,784,357	8,848,922
Intangible	614,859	-	17,697,532	-	-	-
Infrastructure	86,681,088	79,216,738	10,177,279	7,531,963	96,858,367	86,748,701
Machinery and Equipment	19,083,202	18,955,021	3,739,476	6,639,407	22,822,678	25,594,428
Land Rights	-	-	-	2,720,730	-	2,720,730
Furniture and Office Equipment	-	-	-	9,926,074	-	9,926,074
Vehicles and Equipment	27,094,293	16,904,331	31,088,048	22,110,192	58,182,341	39,014,523
Distribution Systems	-	-	424,184,795	412,176,745	424,184,795	412,176,745
Transmission Systems	-	-	33,288,795	33,097,055	33,288,795	33,097,055
Subtotal	<u>284,729,683</u>	<u>257,400,959</u>	<u>737,443,440</u>	<u>681,829,858</u>	<u>1,022,173,123</u>	<u>939,230,817</u>
Accumulated Depreciation	<u>(96,987,590)</u>	<u>(82,327,556)</u>	<u>(349,352,043)</u>	<u>(313,560,806)</u>	<u>(446,339,633)</u>	<u>(395,888,362)</u>
Capital assets, net	<u>\$ 187,742,093</u>	<u>\$ 175,073,403</u>	<u>\$ 388,091,397</u>	<u>\$ 368,269,052</u>	<u>\$ 575,833,490</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, 2016, the City of Greenville had total debt outstanding of \$180,485,128 (excluding compensated absences, Other Post-Employment Benefits (OPEB), and Law Enforcement Officer (LEO) Separation Allowance. Of this, \$35,373,492 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, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS

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

	Government Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 8,667,310	\$ 9,394,015	\$ 3,837,690	\$ 4,012,987	\$ 12,505,000	\$ 13,407,002
Special Obligation (Revenue) Bonds	6,455,000	6,925,000	93,651,999	64,400,999	100,106,999	71,325,999
Installment Purchase Contracts	20,251,182	20,694,441	958,572	630,000	21,209,754	21,324,441
Other Debt (GUC)	-	-	<u>46,663,375</u>	<u>36,339,360</u>	<u>46,663,375</u>	<u>36,339,360</u>
Total	<u>\$ 35,373,492</u>	<u>\$ 37,013,456</u>	<u>\$ 145,111,636</u>	<u>\$ 105,383,346</u>	<u>\$ 180,485,128</u>	<u>\$ 142,396,802</u>

- Total net debt (excluding compensated absences, Other Post-Employment Benefits (OPEB), and Law Enforcement Officer (LEO) Separation Allowance) has increased by \$38,088,326 million (27%) during the current fiscal year. The majority of this change is due to GUC’s increase in debt balances. The Utilities Commission’s total debt increased by \$39,575,015 (39.3%) during the current fiscal year. The key factor in this increase was the issuance of \$62,685,000 in new revenue bonds during the year, \$22,790,000 of which was used to decrease existing debt.
- As previously mentioned, as of June 30, 2016 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 maintains bond ratings of Aa2 with a stable outlook from Moody’s Investors Services and AA- with a stable outlook from Fitch Ratings.

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 units boundaries. The legal debt margin for the City of Greenville is approximately \$319M. The City has no authorized, but unissued, debt as of June 30, 2016.

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 2016 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 90,597, which represents an increase of 7%.

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.

CITY OF GREENVILLE, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

The City continues to face challenges posed by the economy, declining State support for City services, and limited revenue enhancements. For FY 2017, the budget process continued 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 2017 have been decreased to more clearly reflect historical trends and provide more accurate and conservative estimates, including a reduction in the tax rate from \$.53 to \$.52, as directed by the City Council. At this rate, property tax revenues are anticipated to generate roughly 40% of the total General Fund, or \$32,744,935. With the 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, sales tax revenues are projected to be 6.34% above the FY 2016 collections. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2017 budget, a conservative approach of 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 City's share of the Utilities Franchise Tax is based primarily on the actual receipts from electric service sold within the municipality. The amount estimated for the FY 2017 budget is \$7,158,899, and increase of 18.29% compared to FY 2016.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Governmental Activities: The General Fund is the City's primary general government operating fund and is budgeted at \$82,640,550 for FY 17, a 5.81% increase when compared to the prior year's adopted amount of \$78,105,680. Moreover, the fiscal year (FY) 2017 original budget is also a 5.83% increase over fiscal year 2016 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 decrease 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 2017 Plan included property tax revenues of \$32,744,935. This does reflect some growth in tax values, but also represents a reduction in the tax rate from \$.53 to \$.52, as directed by the City Council. While the reduction from \$.53 to \$.52 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 17. 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 2017 budget, sales tax revenues are projected to be \$17,681,023. Improvements in the economy have continued to impact sales tax with the FY 17 adopted budget anticipating 6.34% growth in revenue. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2017 budget, a conservative approach has been chosen.

CITY OF GREENVILLE, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS

- **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 2016 increased approximately 11% 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 \$7,158,899, which is \$1,106,712 or 18.29% 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 2017 budget includes a base amount of \$38,808 to cover a contingency plus an additional one-time fund balance appropriation of \$1,040,000 to fund the purchase of the Imperial Site Property. 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. \$913,378 has been appropriated to carry over unspent capital funds from fiscal year 2015-2016. There is an additional appropriation of \$717,186 from the Powell Bill Fund. This amount is up from the FY 2017 Original Plan.

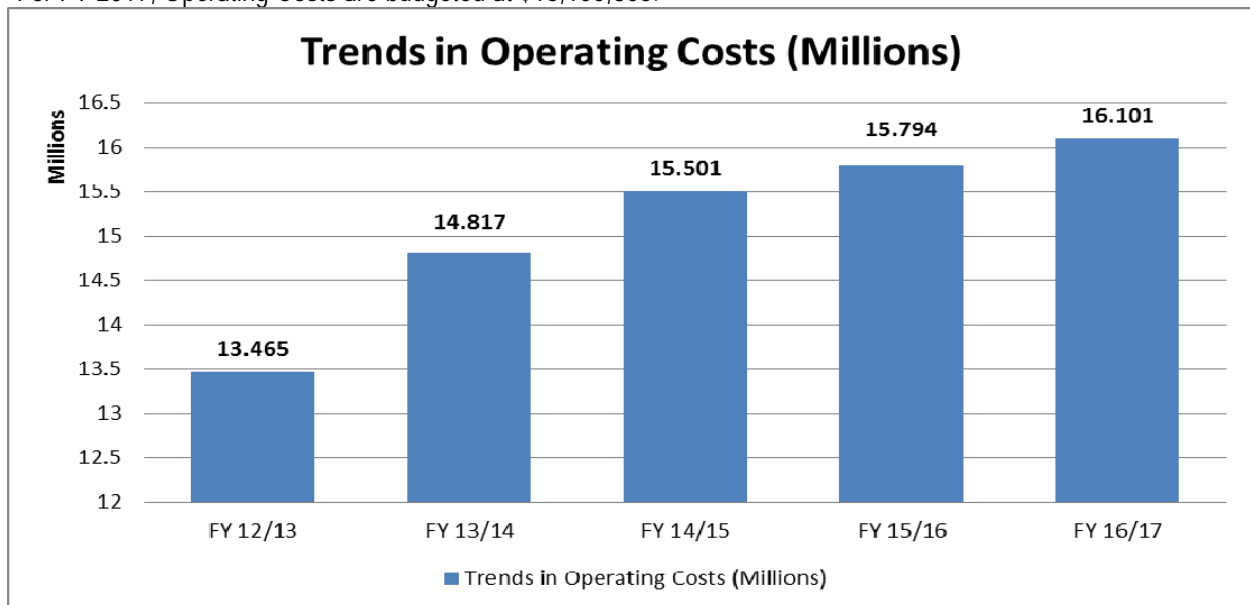
Below are highlights of the City’s General Fund expenditures:

- **Personnel**

In the adopted FY 2017 budget, personnel costs (including salaries and fringe benefits) make up just over 62% of the total budget. This budget includes a 2% market adjustment for all City employees as well as the addition of 3 positions within the Fire/Rescue Department and funding for up to 10 Police Department positions over the biennial period through a grant pool. The projected personnel budget for FY 2017 is \$50.3 million, a \$615,500 increase over the FY 2016 budgeted amount. A 4% vacancy factor was applied to salary costs, which reduces this category’s costs by \$978,380.

- **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 2017, Operating Costs are budgeted at \$16,100,805.



CITY OF GREENVILLE, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-Type Activities: As previously mentioned, the largest component in the City's business-type activities is held by the Greenville Utilities Commission (GUC). 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. Greenville is the 10th largest city in North Carolina and is the major hub for the 29 counties in eastern North Carolina. The Utilities Commission serves approximately 75% of the county and the service area continues to expand. Unemployment for the county is 5.6% and is expected to decrease in the upcoming year. The Utilities Commission's budget for fiscal year 2017 was developed anticipating continuing customer growth, a strong local economy and a mix of residential, commercial and industrial customers. Electric customers will see approximately an 11% decrease in their bills since the fiscal year 2016 original budget was adopted. Capital outlay investments are increasing compared to the previous year's budget reflecting the Commission's goal to be the regional utility provider of choice.

- Annual turnover or transfer of \$6,498,420 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 17 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 \$5,374,886.

- **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 2017 budget includes a \$0.50 per month rate increase for basic curbside collection, as well as multi-family collection. Total approved budget for fiscal year 2017 is \$7,481,586.

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.



FY 2016 Comprehensive Annual Financial Report
BASIC FINANCIAL STATEMENTS

CITY OF GREENVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION

Exhibit A

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 40,100,589	\$ 104,053,884	\$ 144,154,473
Taxes receivable, net	491,959	-	491,959
Accounts receivable, net	3,845,792	27,796,039	31,641,831
Interest receivable	1,963	-	1,963
Due from other governments	3,659,689	2,515,205	6,174,894
Inventories	15,274	6,644,688	6,659,962
Prepaid items	264,404	18,965	283,369
Internal balances	925,450	(925,450)	-
Restricted cash and investments	12,676,736	32,727,647	45,404,383
Notes receivable	-	380,248	380,248
Investment in joint venture	21,242,806	-	21,242,806
Capital assets:			
Non-depreciable	83,172,106	69,714,346	152,886,452
Depreciable, net	104,569,981	318,377,052	422,947,033
Total assets	<u>270,966,749</u>	<u>561,302,624</u>	<u>832,269,373</u>
Deferred Outflows of Resources:			
Pension deferrals	2,341,743	2,122,730	4,464,473
Unamortized bond refunding charges	995,687	2,520,779	3,516,466
Total deferred outflows of resources	<u>3,337,430</u>	<u>4,643,509</u>	<u>7,980,939</u>
Liabilities:			
Accounts payable and accrued liabilities	6,882,627	19,300,142	26,182,769
Accrued interest payable	88,023	481,119	569,142
Due to other governments	-	98,759	98,759
Other liabilities	342,753	-	342,753
Advances from grantors	198,714	-	198,714
Unearned revenue	-	254,721	254,721
Liabilities payable from restricted assets:			
Customer deposits	-	3,868,925	3,868,925
Long-term liabilities:			
Due within one year	5,818,649	12,610,810	18,429,459
Due in more than one year	57,248,714	150,976,528	208,225,242
Total liabilities	<u>70,579,480</u>	<u>187,591,004</u>	<u>258,170,484</u>
Deferred Inflows of Resources:			
Pension deferrals	2,103,307	1,185,202	3,288,509
Net Position:			
Net investment in capital assets	157,082,030	272,072,886	429,154,916
Restricted for:			
Stabilization by State statute	8,322,023	-	8,322,023
Restricted for streets	1,717,351	-	1,717,351
General government	104,713	-	104,713
Economic development	4,176,469	-	4,176,469
Public safety	858,094	-	858,094
Cultural and recreational	117,383	-	117,383
Debt Service	109,616	-	109,616
Unrestricted	29,133,713	105,097,041	134,230,754
Total net position	<u>\$ 201,621,392</u>	<u>\$ 377,169,927</u>	<u>\$ 578,791,319</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, 2016

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
Primary Government:							
Governmental Activities:							
General government	\$ 28,646,538	\$ 3,959,190	\$ 105,891	\$ -	\$ (24,581,457)	\$ -	\$ (24,581,457)
Public safety	26,907,148	4,686,170	75,274	-	(22,145,704)	-	(22,145,704)
Transportation	7,172,037	195,069	-	2,231,425	(4,745,543)	-	(4,745,543)
Cultural and recreational	4,589,132	1,938,560	963,104	2,056,960	369,492	-	369,492
Economic and physical development	11,081,257	19,017	1,360,620	2,627,090	(7,074,530)	-	(7,074,530)
Interest and fees	949,176	-	-	-	(949,176)	-	(949,176)
Total governmental activities	<u>79,345,288</u>	<u>10,798,006</u>	<u>2,504,889</u>	<u>6,915,475</u>	<u>(59,126,918)</u>	-	<u>(59,126,918)</u>
Business-Type Activities:							
Electric	157,838,593	181,932,087	-	-	-	24,093,494	24,093,494
Water	16,281,026	18,587,374	-	-	-	2,306,348	2,306,348
Sewer	18,261,803	21,577,263	-	-	-	3,315,460	3,315,460
Gas	25,519,090	27,683,713	-	-	-	2,164,623	2,164,623
Public transportation	2,129,785	283,816	-	1,642,200	-	(203,769)	(203,769)
Stormwater utility	2,525,857	4,904,736	-	479,059	-	2,857,938	2,857,938
Sanitation	6,114,877	7,459,932	-	-	-	1,345,055	1,345,055
Total business-type activities	<u>228,671,031</u>	<u>262,428,921</u>	-	<u>2,121,259</u>	-	<u>35,879,149</u>	<u>35,879,149</u>
Total primary government	<u>\$308,016,319</u>	<u>\$273,226,927</u>	<u>\$ 2,504,889</u>	<u>\$ 9,036,734</u>	<u>(59,126,918)</u>	<u>35,879,149</u>	<u>(23,247,769)</u>
General Revenues:							
Ad valorem taxes					32,999,892	-	32,999,892
Sales and use taxes					13,564,423	-	13,564,423
Cable TV franchise tax					871,961	-	871,961
Medicaid hold harmless payment					3,725,269	-	3,725,269
Rental vehicle, gross receipts					142,723	-	142,723
Utilities franchise tax					6,949,180	-	6,949,180
Beer and wine tax					390,180	-	390,180
Other taxes and licenses					1,011,536	-	1,011,536
Investment earnings					<u>700,023</u>	<u>329,802</u>	<u>1,029,825</u>
Total general revenues					<u>60,355,187</u>	<u>329,802</u>	<u>60,684,989</u>
Transfers					<u>6,703,765</u>	<u>(6,703,765)</u>	-
Total general revenues and transfers					<u>67,058,952</u>	<u>(6,373,963)</u>	<u>60,684,989</u>
Change in net position					<u>7,932,034</u>	<u>29,505,186</u>	<u>37,437,220</u>
Net position, beginning of year, as previously reported					195,208,986	347,403,154	542,612,140
Restatement					<u>(1,519,628)</u>	<u>261,587</u>	<u>(1,258,041)</u>
Net position, beginning of year, as restated					<u>193,689,358</u>	<u>347,664,741</u>	<u>541,354,099</u>
Net position, end of year					<u>\$201,621,392</u>	<u>\$377,169,927</u>	<u>\$578,791,319</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, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 27,838,529	\$ 6,046,026	\$ 33,884,555
Taxes receivable, net	491,959	-	491,959
Accounts receivable, net	2,523,060	1,248,748	3,771,808
Interest receivable	-	1,963	1,963
Due from other funds	2,847,350	98,767	2,946,117
Due from other governments	3,333,557	-	3,333,557
Inventories	15,274	-	15,274
Prepaid items	24,470	79,204	103,674
Restricted cash and investments	2,680,158	4,403,468	7,083,626
Total assets	<u>\$ 39,754,357</u>	<u>\$ 11,878,176</u>	<u>\$ 51,632,533</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,922,297	\$ 323,423	\$ 4,245,720
Due to other funds	339,910	246,680	586,590
Advances from grantors	-	198,714	198,714
Other liabilities	342,753	-	342,753
Total liabilities	<u>4,604,960</u>	<u>768,817</u>	<u>5,373,777</u>
Deferred Inflows of Resources:			
Property taxes receivable	407,296	-	407,296
Other receivables	2,299,990	233,642	2,533,632
Total deferred inflows of resources	<u>2,707,286</u>	<u>233,642</u>	<u>2,940,928</u>
Fund Balances:			
Nonspendable:			
Prepaid items and inventories	39,744	79,204	118,948
Loans receivable	14,700	301,864	316,564
Restricted:			
Stabilization by state statute	7,490,434	831,589	8,322,023
Restricted for general government	104,713	-	104,713
Restricted for streets	1,717,351	-	1,717,351
Restricted public safety	858,094	-	858,094
Restricted for economic development	-	4,176,469	4,176,469
Restricted for cultural and recreational	-	117,383	117,383
Restricted for debt service	-	109,616	109,616
Committed:			
Committed for catastrophic losses	2,276,781	-	2,276,781
Committed for general government	-	793,076	793,076
Committed for culture and recreational	-	256,093	256,093
Committed for public safety	-	73,003	73,003
Committed for economic development	-	1,807,433	1,807,433
Committed for capital outlay	-	2,097,475	2,097,475
Committed for debt service	-	145,678	145,678
Assigned:			
Assigned for subsequent year's expenditures	1,795,994	19,736	1,815,730
Assigned for culture and recreational	-	598,668	598,668
Unassigned	18,144,300	(531,570)	17,612,730
Total fund balance	<u>32,442,111</u>	<u>10,875,717</u>	<u>43,317,828</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,754,357</u>	<u>\$ 11,878,176</u>	<u>\$ 51,632,533</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, 2016

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

Ending fund balance - governmental funds	\$ 43,317,828
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	177,354,039
Investment in joint venture reported in governmental activities is not reported in the funds.	21,242,806
Net pension liability is not reported in the funds.	(2,835,420)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	2,290,276
Other long-term balances are not available to pay for current expenditures and, therefore, are deferred outflows of resources.	2,940,928
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.	18,637,233
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.	(60,168,225)
Deferred inflows of resources related to pensions are not reported in the funds.	(2,057,081)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	995,687
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(96,679)</u>
Net position of governmental activities	<u>\$ 201,621,392</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, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 32,775,803	\$ -	\$ 32,775,803
Other taxes	18,304,376	967,147	19,271,523
Unrestricted intergovernmental	7,385,959	-	7,385,959
Restricted intergovernmental	2,504,352	5,516,829	8,021,181
Licenses, permits, and fees	2,352,503	-	2,352,503
Sales and services	5,082,687	-	5,082,687
Investment earnings	691,409	8,614	700,023
Other revenues	1,055,535	284,752	1,340,287
Total revenues	<u>70,152,624</u>	<u>6,777,342</u>	<u>76,929,966</u>
Expenditures:			
Current:			
General government	11,731,599	681,313	12,412,912
Public safety	37,020,608	8,757	37,029,365
Public works	8,580,845	-	8,580,845
Cultural and recreational	2,624,265	3,393,613	6,017,878
Economic and physical development	7,644,937	8,319,226	15,964,163
Capital outlay	-	-	-
Reimbursement of indirect cost	(1,390,870)	-	(1,390,870)
Contribution to OPEB Trust	450,000	-	450,000
Debt Service:			
Principal retirement	-	3,808,442	3,808,442
Interest and fees	-	871,158	871,158
Total expenditures	<u>66,661,384</u>	<u>17,082,509</u>	<u>83,743,893</u>
Revenues over (under) expenditures	<u>3,491,240</u>	<u>(10,305,167)</u>	<u>(6,813,927)</u>
Other Financing Sources (Uses):			
Payments to escrow agents	-	(6,248,200)	(6,248,200)
Transfers from other funds	7,485,654	8,924,200	16,409,854
Transfers to other funds	(11,114,322)	(162,460)	(11,276,782)
Long-term debt issued	-	2,096,100	2,096,100
Refunding debt issued	-	6,185,392	6,185,392
Total other financing sources (uses)	<u>(3,628,668)</u>	<u>10,795,032</u>	<u>7,166,364</u>
Net change in fund balance	<u>(137,428)</u>	<u>489,865</u>	<u>352,437</u>
Fund Balance:			
Fund balance, beginning of year – July 1, as previously reported	32,579,539	10,694,050	43,273,589
Restatement	-	(308,198)	(308,198)
Fund balance, beginning of year- as restated	<u>32,579,539</u>	<u>10,385,852</u>	<u>42,965,391</u>
Fund balance, end of year – June 30	<u>\$ 32,442,111</u>	<u>\$ 10,875,717</u>	<u>\$ 43,317,828</u>

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

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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, 2016

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	\$ 352,437
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.	10,779,220
Asset transfers from business-type activities reported in the Statement of Activities are not reported in the governmental fund statement.	-
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(6,041,903)
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.	729,462
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.	(149,036)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,290,276
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.	(8,285,392)
Payments to Refunding Escrow Agent	6,757,779
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.	31,688
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.	3,300,553
Pension expense is not an expenditure and is not reported in the funds.	(1,429,482)
Loss on disposal of capital assets is reported in the Statement of Activities but not the funds statement.	(1,418,825)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(109,706)
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.	-
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>1,124,963</u>
Changes in net position of governmental activities	<u>\$ 7,932,034</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

YEAR ENDED JUNE 30, 2016

	General Fund			
	Budget		Actual Amounts	Variance Positive/ Negative
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 33,039,074	\$ 33,039,074	\$ 32,775,803	\$ (263,271)
Other taxes	17,658,444	18,328,044	18,304,376	(23,668)
Unrestricted intergovernmental	6,474,179	7,335,889	7,385,959	50,070
Restricted intergovernmental	3,318,585	3,451,326	2,504,352	(946,974)
Licenses, permits, and fees	2,427,068	2,077,975	2,352,503	274,528
Sales and services	5,138,355	5,356,067	5,082,687	(273,380)
Investment earnings	553,761	133,490	691,409	557,919
Other revenues	1,341,935	1,394,335	1,055,535	(338,800)
Total revenues	<u>69,951,401</u>	<u>71,116,200</u>	<u>70,152,624</u>	<u>(963,576)</u>
Expenditures:				
Current:				
General government	11,018,681	12,384,743	11,731,599	653,144
Public safety	37,378,188	37,280,256	37,020,608	259,648
Public works	10,126,328	10,712,747	8,580,845	2,131,902
Economic development	3,067,084	3,258,794	2,624,265	634,529
Cultural and recreational	8,197,119	8,437,451	7,644,937	792,514
Reimbursement of indirect cost	(1,268,214)	(1,268,214)	(1,390,870)	122,656
Contribution to OPEB Trust	450,000	450,000	450,000	-
Total expenditures	<u>68,969,186</u>	<u>71,255,777</u>	<u>66,661,384</u>	<u>4,594,393</u>
Revenues over (under) expenditures	<u>982,215</u>	<u>(139,577)</u>	<u>3,491,240</u>	<u>3,630,817</u>
Other Financing Sources (Uses):				
Transfers from other funds	6,562,596	7,492,293	7,485,654	(6,639)
Transfers to other funds	(8,936,493)	(11,109,174)	(11,114,322)	(5,148)
Contingency	(200,000)	-	-	-
Appropriated fund balance	1,591,682	3,756,458	-	(3,756,458)
Total other financing sources (uses)	<u>(982,215)</u>	<u>139,577</u>	<u>(3,628,668)</u>	<u>(3,768,245)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(137,428)</u>	<u>\$ (137,428)</u>
Fund Balance:				
Fund balance, beginning of year			<u>32,579,539</u>	
Fund balance, end of year – June 30			<u>\$ 32,442,111</u>	

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

Exhibit G

JUNE 30, 2016

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 51,704,729	\$ 3,769,797	\$ 7,009,786	\$ 21,505,895
Accounts receivable, net	19,737,849	1,871,286	2,198,021	1,636,429
Due from other governments	1,051,679	348,431	341,941	397,745
Due from other funds	249,799	-	-	-
Inventories	5,007,816	711,675	191,776	733,421
Restricted cash	2,834,040	648,428	1,325	385,132
Prepaid items	-	-	-	-
Total current assets	<u>80,585,912</u>	<u>7,349,617</u>	<u>9,742,849</u>	<u>24,658,622</u>
Non-Current Assets:				
Cash and cash equivalents, restricted	15,834,771	4,739,176	5,609,458	2,242,153
Investments	8,989,305	965,568	1,416,381	3,641,916
Notes receivable	-	380,248	-	-
Land improvements and construction in progress	14,042,801	4,198,761	33,470,096	15,842,270
Other capital assets, net	86,493,001	83,889,076	111,387,429	27,667,632
Total non-current assets	<u>125,359,878</u>	<u>94,172,829</u>	<u>151,883,364</u>	<u>49,393,971</u>
Total assets	<u>205,945,790</u>	<u>101,522,446</u>	<u>161,626,213</u>	<u>74,052,593</u>
Deferred Outflows of Resources:				
Pension deferrals	775,363	416,048	397,137	302,581
Unamortized bond refunding charges	608,421	898,874	748,762	179,710
Total deferred outflows of resources	<u>1,383,784</u>	<u>1,314,922</u>	<u>1,145,899</u>	<u>482,291</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	15,031,982	794,415	1,072,333	1,928,175
Accrued interest payable	111,627	109,345	209,168	50,979
Due to other funds	67,095	48,533	28,745	3,123
Due to other governments	-	-	-	-
Unearned revenue	-	99,501	155,220	-
Current portion of compensated absences	722,002	315,750	280,721	235,534
Current maturities of long-term debt	2,006,521	2,723,516	4,596,377	1,079,872
Liabilities Payable from Restricted Assets:				
Customer deposits	2,834,040	648,428	1,325	385,132
Total current liabilities	<u>20,773,267</u>	<u>4,739,488</u>	<u>6,343,889</u>	<u>3,682,815</u>
Non-Current Liabilities:				
Compensated absences payable	112,133	121,741	144,715	152,415
Net pension liability	770,836	413,619	394,818	300,814
Non-current portion of other post-employment benefits	5,701,067	2,445,387	2,091,389	1,877,395
Non-current portion of long-term debt	39,139,237	24,368,493	50,783,692	15,617,666
Total non-current liabilities	<u>45,723,273</u>	<u>27,349,240</u>	<u>53,414,614</u>	<u>17,948,290</u>
Total liabilities	<u>66,496,540</u>	<u>32,088,728</u>	<u>59,758,503</u>	<u>21,631,105</u>
Deferred Inflows of Resources:				
Pension deferrals	400,645	214,980	205,208	156,349
Total deferred inflows of resources	<u>400,645</u>	<u>214,980</u>	<u>205,208</u>	<u>156,349</u>
Net Position:				
Net investment in capital assets	75,833,236	65,309,513	94,348,256	29,234,227
Unrestricted	64,599,153	5,224,147	8,460,145	23,513,203
Total net position	<u>\$ 140,432,389</u>	<u>\$ 70,533,660</u>	<u>\$ 102,808,401</u>	<u>\$ 52,747,430</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, 2016

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 5,050,507	\$ 89,040,714	\$ 6,216,034
Accounts receivable, net	2,352,454	27,796,039	73,984
Due from other governments	375,409	2,515,205	326,132
Due from other funds	-	249,799	2,789
Inventories	-	6,644,688	-
Restricted cash	-	3,868,925	5,593,110
Prepaid items	18,965	18,965	160,730
Total current assets	<u>7,797,335</u>	<u>130,134,335</u>	<u>12,372,779</u>
Non-Current Assets:			
Cash and cash equivalents, restricted	433,164	28,858,722	-
Investments	-	15,013,170	-
Notes receivable	-	380,248	-
Land improvements and construction in progress	2,160,418	69,714,346	504,416
Other capital assets, net	8,939,914	318,377,052	9,883,632
Total non-current assets	<u>11,533,496</u>	<u>432,343,538</u>	<u>10,388,048</u>
Total assets	<u>19,330,831</u>	<u>562,477,873</u>	<u>22,760,827</u>
Deferred Outflows of Resources:			
Pension deferrals	231,601	2,122,730	51,467
Unamortized bond refunding charges	85,012	2,520,779	-
Total deferred outflows of resources	<u>316,613</u>	<u>4,643,509</u>	<u>51,467</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	473,237	19,300,142	2,636,907
Accrued interest payable	-	481,119	-
Due to other funds	1,027,753	1,175,249	1,428,210
Due to other governments	98,759	98,759	-
Unearned revenue	-	254,721	-
Current portion of compensated absences	149,213	1,703,220	-
Current maturities of long-term debt	501,304	10,907,590	-
Liabilities Payable from Restricted Assets:			
Customer deposits	-	3,868,925	-
Total current liabilities	<u>2,250,266</u>	<u>37,789,725</u>	<u>4,065,117</u>
Non-Current Liabilities:			
Compensated absences payable	63,948	594,952	-
Net pension liability	286,729	2,166,816	63,718
Non-current portion of other post-employment benefits	1,895,476	14,010,714	-
Non-current portion of long-term debt	4,294,958	134,204,046	-
Total non-current liabilities	<u>6,541,111</u>	<u>150,976,528</u>	<u>63,718</u>
Total liabilities	<u>8,791,377</u>	<u>188,766,253</u>	<u>4,128,835</u>
Deferred Inflows of Resources:			
Pension deferrals	208,020	1,185,202	46,226
Total deferred inflows of resources	<u>208,020</u>	<u>1,185,202</u>	<u>46,226</u>
Net Position:			
Net investment in capital assets	7,347,654	272,072,886	10,388,048
Unrestricted	3,300,393	105,097,041	8,249,185
Total net position	<u>\$ 10,648,047</u>	<u>\$ 377,169,927</u>	<u>\$ 18,637,233</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, 2016

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Operating Revenues:				
Charges for services	\$ 179,455,918	\$ 18,132,582	\$ 21,173,096	\$ 27,350,745
Other operating revenues	710,641	97,450	105,693	182,283
Total operating revenues	<u>180,166,559</u>	<u>18,230,032</u>	<u>21,278,789</u>	<u>27,533,028</u>
Operating Expenses:				
Administrative and general	10,083,328	3,071,183	3,029,512	3,041,534
Operations and maintenance	14,166,868	8,205,968	8,340,350	5,113,337
Purchased power and gas	124,697,341	-	-	15,335,516
Depreciation and amortization	7,978,297	3,962,590	5,028,068	1,692,607
Claims and payments to third-party administrators	-	-	-	-
Total operating expenses	<u>156,925,834</u>	<u>15,239,741</u>	<u>16,397,930</u>	<u>25,182,994</u>
Operating income (loss)	<u>23,240,725</u>	<u>2,990,291</u>	<u>4,880,859</u>	<u>2,350,034</u>
Non-Operating Revenues (Expenses):				
Investment earnings	173,124	53,167	33,191	70,244
Other non-operating revenues	1,765,528	357,342	298,474	150,685
Bond issuance cost	-	-	-	-
Interest expense	(912,759)	(1,041,285)	(1,863,873)	(336,096)
Loss on disposal of capital assets	-	-	-	-
Total non-operating revenues (expenses)	<u>1,025,893</u>	<u>(630,776)</u>	<u>(1,532,208)</u>	<u>(115,167)</u>
Income (loss) before transfers and contributions	24,266,618	2,359,515	3,348,651	2,234,867
Transfers In (Out) and Capital Contributions:				
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(5,542,975)	-	-	(1,815,290)
Total transfers in (out) and capital contributions:	<u>(5,542,975)</u>	<u>-</u>	<u>-</u>	<u>(1,815,290)</u>
Change in net position	<u>18,723,643</u>	<u>2,359,515</u>	<u>3,348,651</u>	<u>419,577</u>
Net Position:				
Beginning of year – July 1, as previously reported	121,708,746	68,174,145	99,459,750	52,327,853
Restatement	-	-	-	-
Beginning of year – restated	<u>121,708,746</u>	<u>68,174,145</u>	<u>99,459,750</u>	<u>52,327,853</u>
End of year – June 30	<u>\$ 140,432,389</u>	<u>\$ 70,533,660</u>	<u>\$ 102,808,401</u>	<u>\$ 52,747,430</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, 2016

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:			
Charges for services	\$ 12,560,272	\$ 258,672,613	\$ 18,390,690
Other operating revenues	88,212	1,184,279	63,820
Total operating revenues	<u>12,648,484</u>	<u>259,856,892</u>	<u>18,454,510</u>
Operating Expenses:			
Administrative and general	124,998	19,350,555	867,435
Operations and maintenance	10,121,191	45,947,714	4,902,629
Purchased power and gas	-	140,032,857	-
Depreciation and amortization	369,765	19,031,327	1,823,455
Claims and payments to third-party administrators	-	-	11,306,721
Total operating expenses	<u>10,615,954</u>	<u>224,362,453</u>	<u>18,900,240</u>
Operating income (loss)	<u>2,032,530</u>	<u>35,494,439</u>	<u>(445,730)</u>
Non-Operating Revenues (Expenses):			
Investment earnings	76	329,802	-
Other non-operating revenues	-	2,572,029	-
Bond issuance cost	(31,147)	(31,147)	-
Interest expense	(116,814)	(4,270,827)	-
Loss on disposal of capital assets	(6,604)	(6,604)	-
Total non-operating revenues (expenses)	<u>(154,489)</u>	<u>(1,406,747)</u>	<u>-</u>
Income (loss) before transfers and contributions	1,878,041	34,087,692	(445,730)
Transfers In (Out) and Capital Contributions:			
Capital contributions	2,121,259	2,121,259	-
Transfers from other funds	713,442	713,442	1,579,180
Transfers to other funds	(58,942)	(7,417,207)	(8,487)
Total transfers in (out) and capital contributions:	<u>2,775,759</u>	<u>(4,582,506)</u>	<u>1,570,693</u>
Change in net position	<u>4,653,800</u>	<u>29,505,186</u>	<u>1,124,963</u>
Net Position:			
Beginning of year – July 1, as previously reported	5,732,660	347,403,154	17,671,268
Restatement	261,587	261,587	(158,998)
Beginning of year – restated	<u>5,994,247</u>	<u>347,664,741</u>	<u>17,512,270</u>
End of year – June 30	<u>\$ 10,648,047</u>	<u>\$ 377,169,927</u>	<u>\$ 18,637,233</u>

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

Exhibit I

YEAR ENDED JUNE 30, 2016

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Cash Flows From Operating Activities:				
Cash received from customers	\$ 183,755,327	\$ 18,285,677	\$ 21,183,470	\$ 27,563,895
Other operating receipts	1,574,905	109,160	19,030	138,391
Cash paid to vendors	(141,139,067)	(6,091,000)	(6,161,552)	(19,307,014)
Cash paid to employees	(11,021,224)	(5,103,383)	(4,867,549)	(4,233,527)
Payments received on loans	-	33,774	-	-
Net cash provided (used) by operating activities	<u>33,169,941</u>	<u>7,234,228</u>	<u>10,173,399</u>	<u>4,161,745</u>
Cash Flows From Non-Capital Financing Activities:				
Repayment of principal of long-term debt	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(5,542,975)	-	-	(1,815,290)
Noncapital contributions	18,149	13,061	13,061	12,879
Repayments (to)/from other funds	-	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(5,524,826)</u>	<u>13,061</u>	<u>13,061</u>	<u>(1,802,411)</u>
Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(9,987,017)	(2,609,969)	(5,387,520)	(9,440,599)
Capital grants/cash capital contributions	-	-	-	-
Capital related receipts from customers	-	195,046	215,993	-
Proceeds from issuance of long-term debt	31,264,926	12,642,236	20,300,943	12,267,202
Escrow deposit for debt refunded	(5,842,155)	(10,138,444)	(10,938,374)	(784,372)
Debt issuance costs	(316,518)	(81,381)	(313,501)	(139,194)
Repayment of principal of long-term debt	(2,420,378)	(2,668,804)	(4,526,960)	(1,127,174)
Interest and other debt related expenses	(615,482)	(1,029,534)	(1,632,655)	(183,475)
Net cash provided (used) by capital and related financing activities	<u>12,083,376</u>	<u>(3,690,850)</u>	<u>(2,282,074)</u>	<u>592,388</u>
Cash Flow From Investing Activities:				
Purchase of investments	(17,894,011)	(2,443,377)	(4,236,793)	(1,925,918)
Proceeds from sale and maturity of investments	13,799,328	1,884,202	3,267,133	1,485,795
Interest received on investments	163,046	51,824	31,269	68,824
Net cash provided by investing activities	<u>(3,931,637)</u>	<u>(507,351)</u>	<u>(938,391)</u>	<u>(371,299)</u>
Net increase (decrease) in cash and cash equivalents	35,796,854	3,049,088	6,965,995	2,580,423
Cash and Cash Equivalents:				
Beginning of year – July 1	<u>34,576,686</u>	<u>6,108,313</u>	<u>5,654,574</u>	<u>21,552,757</u>
End of year – June 30	<u>\$ 70,373,540</u>	<u>\$ 9,157,401</u>	<u>\$ 12,620,569</u>	<u>\$ 24,133,180</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, 2016

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:			
Cash received from customers	\$ 12,126,250	\$ 262,914,619	\$ 18,893,625
Other operating receipts	-	1,841,486	-
Cash paid to vendors	(4,661,797)	(177,360,430)	(15,659,567)
Cash paid to employees	(5,572,687)	(30,798,370)	(1,376,179)
Payments received on loans	-	33,774	-
Net cash provided (used) by operating activities	<u>1,891,766</u>	<u>56,631,079</u>	<u>1,857,879</u>
Cash Flows From Non-Capital Financing Activities:			
Repayment of principal of long-term debt	(96,428)	(96,428)	-
Proceeds from issuance of long-term debt	425,000	425,000	-
Transfers from other funds	713,442	713,442	(8,487)
Transfers to other funds	(58,942)	(7,417,207)	1,579,180
Noncapital contributions	-	57,150	-
Repayments (to)/from other funds	<u>1,027,753</u>	<u>1,027,753</u>	<u>(629,702)</u>
Net cash provided (used) by non-capital financing activities	<u>2,010,825</u>	<u>(5,290,290)</u>	<u>940,991</u>
Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(2,088,158)	(29,513,263)	(3,883,236)
Capital grants/cash capital contributions	1,358,610	1,358,610	-
Capital related receipts from customers	-	411,039	-
Proceeds from issuance of long-term debt	-	76,475,307	-
Escrow deposit for debt refunded	-	(27,703,345)	-
Debt issuance costs	-	(850,594)	-
Repayment of principal of long-term debt	(175,300)	(10,918,616)	-
Interest and other debt related expenses	<u>(232,973)</u>	<u>(3,694,119)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(1,137,821)</u>	<u>5,565,019</u>	<u>(3,883,236)</u>
Cash Flow From Investing Activities:			
Purchase of investments	-	(26,500,099)	-
Proceeds from sale and maturity of investments	-	20,436,458	-
Interest received on investments	<u>76</u>	<u>315,039</u>	<u>-</u>
Net cash provided by investing activities	<u>76</u>	<u>(5,748,602)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,764,846	51,157,206	(1,084,366)
Cash and Cash Equivalents:			
Beginning of year – July 1	<u>2,718,825</u>	<u>70,611,155</u>	<u>12,893,510</u>
End of year – June 30	<u>\$ 5,483,671</u>	<u>\$ 121,768,361</u>	<u>\$ 11,809,144</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, 2016

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 23,240,725	\$ 2,990,291	\$ 4,880,859	\$ 2,350,034
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,978,297	3,962,590	5,028,068	1,692,607
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	3,508,600	(30,571)	(90,868)	12,289
(Increase) decrease in notes receivable	-	33,774	-	-
(Increase) decrease in due from other governments	8,535	(36,858)	(38,181)	1,942
Change in due to/from other funds	(157,165)	(55,350)	(48,288)	(16,194)
(Increase) decrease in inventories	(96,683)	24,216	8,489	(172,275)
(Increase) decrease in prepaids	40,222	103,883	77,033	19,317
(Increase) decrease in net pension asset	1,111,749	489,601	466,593	413,002
Increase (decrease) in net pension liability	770,836	413,619	394,818	300,814
(Increase) decrease in deferred inflow of resources	(2,308,959)	(978,298)	(931,993)	(850,238)
Increase (decrease) in deferred outflow of resources	62,427	(47,095)	(45,523)	8,649
Increase (decrease) in accounts payable	(3,098,579)	(31,411)	259,009	87,985
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in customer deposits	19,310	95,189	(100)	17,221
Increase (decrease) in compensated absences payable	40,702	35,507	33,197	42,980
Increase (decrease) in OPEB liability	300,137	127,887	127,556	114,319
Increase (decrease) in unearned revenue	-	(12,190)	(16,560)	-
Miscellaneous income (expense)	1,749,787	149,444	69,290	139,293
Net cash provided (used) by operating activities	<u>\$ 33,169,941</u>	<u>\$ 7,234,228</u>	<u>\$ 10,173,399</u>	<u>\$ 4,161,745</u>
Non-Cash Investing, Capital, and Financing Activities:				
Capital contribution	\$ -	\$ -	\$ -	\$ -
Refunded bonds and loss on refunding	-	-	-	-
Purchase of capital assets in accounts payable	-	-	-	-
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and investments, unrestricted	\$ 51,704,729	\$ 3,769,797	\$ 7,009,786	\$ 21,505,895
Cash and investments, restricted	18,668,811	5,387,604	5,610,783	2,627,285
Total cash and cash equivalents	<u>\$ 70,373,540</u>	<u>\$ 9,157,401</u>	<u>\$ 12,620,569</u>	<u>\$ 24,133,180</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, 2016

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 2,032,530	\$ 35,494,439	\$ (445,730)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	369,765	19,031,327	1,823,455
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(522,234)	2,877,216	411,221
(Increase) decrease in notes receivable	-	33,774	-
(Increase) decrease in due from other governments	-	(64,562)	-
Change in due to/from other funds	-	(276,997)	-
(Increase) decrease in inventories	-	(236,253)	-
(Increase) decrease in prepaids	(6,615)	233,840	(12,599)
(Increase) decrease in net pension asset	435,522	2,916,467	87,104
Increase (decrease) in net pension liability	286,729	2,166,816	63,718
(Increase) decrease in deferred inflow of resources	(885,092)	(5,954,580)	(172,396)
Increase (decrease) in deferred outflow of resources	36,883	15,341	2,230
Increase (decrease) in accounts payable	(40,639)	(2,823,635)	100,876
Increase (decrease) in due to other governments	98,759	98,759	-
Increase (decrease) in customer deposits	-	131,620	-
Increase (decrease) in compensated absences payable	187	152,573	-
Increase (decrease) in OPEB liability	85,971	755,870	-
Increase (decrease) in unearned revenue	-	(28,750)	-
Miscellaneous income (expense)	-	2,107,814	-
Net cash provided (used) by operating activities	<u>\$ 1,891,766</u>	<u>\$ 56,631,079</u>	<u>\$ 1,857,879</u>
Non-Cash Investing, Capital, and Financing Activities:			
Capital contribution	\$ 387,240	\$ 387,240	\$ -
Refunded bonds and loss on refunding	3,904,002	3,904,002	-
Purchase of capital assets in accounts payable	-	-	41,706
Total non-cash investing, capital, and financing activities	<u>\$ 4,291,242</u>	<u>\$ 4,291,242</u>	<u>\$ 41,706</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments, unrestricted	\$ 5,050,507	\$ 89,040,714	\$ 6,216,034
Cash and investments, restricted	433,164	32,727,647	5,593,110
Total cash and cash equivalents	<u>\$ 5,483,671</u>	<u>\$ 121,768,361</u>	<u>\$ 11,809,144</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, 2016

	OPEB Trust Fund
Assets:	
Restricted cash and cash equivalents	<u>\$ 3,346,928</u>
Net Position:	
Restricted for OPEB	<u>\$ 3,346,928</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, 2016

	OPEB Trust Fund
Additions:	
Employer contributions	\$ 2,548,739
Investment income:	
Net appreciation in fair value of investments	<u>8,208</u>
Total additions	<u>2,556,947</u>
Deductions:	
Benefits	1,710,687
Administrative expense	<u>6,681</u>
Total deductions	<u>1,717,368</u>
Change in net position	839,579
Net position, beginning	<u>2,507,349</u>
Net position, ending	<u>\$ 3,346,928</u>

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



FY 2016 Comprehensive Annual Financial Report

NOTES TO FINANCIAL STATEMENTS

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. 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 90,597. 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:

A. 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.

B. 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 non-major 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, 2016

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 non-major funds, by type:

Non-major Enterprise Funds. The non-major enterprise funds are used to account for the operation of providing various City services to residents. The City maintains three non-major enterprise funds: Public Transportation Fund, Stormwater Utility Fund (including its related enterprise capital project 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 four special revenue funds: the Community Development and HOME Fund, Sheppard Memorial Library Fund, Housing Trust Fund, and Centralized Grant Fund. The Hurricane Irene FEMA Grant Fund was closed as of June 30, 2016. During implementation of a new accounting system, the City determined that it was appropriate to incorporate the remaining resources, obligations, and activities of the Energy Efficient Recovery Fund in the new Public Works Capital Project 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 noted above, the City implemented a new accounting system for the year ending June 30, 2016 and restructured its chart of accounts, resulting in fewer capital project funds incorporating multiple projects. As of June 30, 2016, the City has nine capital project funds that were open during the fiscal year, covering various construction projects: Affordable Housing Capital Projects Fund, Recreation and Parks Capital Projects Fund, Public Works Capital Projects Fund, Greenways Capital Projects Fund, Community Development Capital Projects Fund, Information Technology Capital Projects Fund, Fire and Rescue Capital Projects Fund, Police Capital Projects Fund, and Capital Reserve Fund. The former Affordable Housing Fund remains the Affordable Housing Capital Project Fund. The former Capital Reserve Fund remains the Capital Reserve Fund. The former South Greenville Reconstruction Fund was incorporated in the Recreation and Parks Capital Projects Fund. The former Stantonsburg Road/10th Street Corridor, Street Improvement, CVA Expansion Phase III, GTAC Project, King George Bridge, Thomas Langston Road Extension Project, and Energy Savings Equipment funds were incorporated in the Public Works Capital Projects Fund. The former Green Mill Greenway fund was incorporated in the Greenways Capital Projects Fund. The former Uptown Parking Deck, Center City Revitalization, Energy Efficiency Revolving Loan and West Greenville Revitalization funds were incorporated in the Community Development Capital Projects Fund. The former ERP Fund was incorporated in the IT Capital Projects Fund. The former Emergency Operations Center Fund was incorporated in the Fire and Rescue Capital Projects Fund. The former New Technology for Public Safety Fund was incorporated in the Police Capital Projects Fund. The following former funds were closed as of June 30, 2015: South Tar River Greenway, Way Finding Community Development, Community Oriented Policing Services (COPS) Project, and Dream Park.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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.

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.

C. 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, 2016

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.

D. Budgetary Data

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 (Library), 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 Funds, and the Enterprise Capital Projects Fund. The enterprise project fund is 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 departmental level for all annually budgeted funds and at the fund level for the multi-year funds. 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, 2016

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. 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 and Commission's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT-Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are 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).

2. 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.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

3. 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. Any net pension asset is classified as restricted asset because its use is restricted to the provision of pension benefits to retired employees.

Governmental Activities:

Cash:

General Fund:

General government	\$ 104,713
Streets	1,717,351
Public safety	858,094

Nonmajor Governmental funds:

Culture and recreational	117,383
Unexpended debt proceeds	3,717,748
Unexpended grant proceeds	568,337

Internal Service Fund:

Self-insurance	5,593,110
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Total Governmental Activities	\$ 12,676,736
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Business-Type Activities

Cash:

Greenville Utilities Commission:

Customer deposits	\$ 3,868,925
Unexpended bond proceeds	25,613,773
Unexpended capacity fees	2,811,785

Non-Major Enterprise Funds:

Sanitation Fund	433,164
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Total Business-Type Activities	\$ 32,727,647
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4. 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, 2015. 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.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

5. 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.

6. 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 non-major Enterprise Fund customer receivables. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

7. 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.

8. 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 charged to expense as incurred. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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. Interest expense is capitalized on business-type construction in progress to the extent that it exceeds income.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	10 - 20 years
Buildings	5 - 33 years
Equipment	5 - 20 years
Intangible	3 - 15 years
Distribution systems	20 - 50 years
Transmission systems	20 - 25 years
Infrastructure	50 years
Vehicle	3 - 20 years

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

9. 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 2016 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.

10. 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.

11. 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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.

12. 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.

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 for the employee benefit flex spending program.

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 [G.S. Chapter 159, Article 3, Part 2]. .

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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 and the Greenways Capital Project 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 IT 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.

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.

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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, 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 fund balance, assigned fund balance and, lastly, unassigned fund balances. The Finance Officer has the authority to 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.

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>\$ 32,442,111</u>
Less:	
Inventories	15,274
Prepaid items	24,470
Loans receivable	14,700
Stabilization by State statute	7,490,434
Restricted for general government	104,713
Restricted for streets	1,717,351
Restricted for public safety	858,094
Committed for catastrophic losses	2,276,781
Assigned for subsequent year's expenditures	<u>1,795,994</u>
Total available fund balance	<u><u>\$ 18,144,300</u></u>

The City of Greenville has \$913,378 of outstanding encumbrances in the General Fund as of June 30, 2016, which represents amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

13. 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.

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II. Pronouncements Issued But Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2016 with effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City or the Commission.

GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68". This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement No. 68 for pension plans and pensions that are within their respective scopes. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement No. 43, and Statement No. 50, Pension Disclosures. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 77, "Tax Abatement Disclosures". This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

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GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants". This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 80, "Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14". This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 81, "Irrevocable Split-Interest Agreements". This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

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GASB Statement No. 82, "Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

III. Detailed notes on all funds

A. Assets

1. 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 under-collateralization, 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, 2016, the City's deposits had a carrying amount of \$11,052,983 and a bank balance of \$10,407,781. Of the bank balance, \$1,984,069 was covered by Federal depository insurance, and the remainder of \$8,423,712 was covered by collateral held under the Pooling Method. The City's deposits include checking accounts, money market accounts, and \$1,000,000 in certificates of deposit which are reported as long-term investments. The City's cash on hand at June 30, 2016 consisted of various petty cash funds totaling \$8,549.

At June 30, 2016, the Commission's deposits had a carrying amount of \$86,072,427 and a bank balance of \$87,524,100. Of the bank balance, \$6,500,099 was covered by Federal depository insurance, and \$81,024,001 was covered by collateral held under the pooling method. The Commission's deposits include checking accounts, money market accounts, and \$7,509,887 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, 2016 consisted of various petty cash funds totaling \$6,550.

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2. Investments

At June 30, 2016, the investments and related maturities of the City were as follows:

Investment Type	Valuation		Less Than		
	Measurement Method	Fair Value	Six Months	6-12 Months	1-5+ Years
Bank Certificates of Deposit	Amortized Cost	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
NC Capital Management Trust - Cash Portfolio	Amortized Cost	6,978,069	6,978,069	-	-
NC Capital Management Trust - Term Portfolio	Fair Value Level 1	15,155,135	15,155,135	-	-
US Treasuries	Fair Value Level 1	5,312,724	-	-	5,312,724
US Government Agency - FHLB	Fair Value Level 1	1,486,515	275,240	1,211,275	-
US Government Agency - FHLMC	Fair Value Level 1	7,293,227	-	1,379,468	5,913,759
US Government Agency - FNMA	Fair Value Level 1	10,973,794	-	-	10,973,794
Total Investments		\$ 48,199,464	\$ 23,408,444	\$ 2,590,743	\$ 22,200,277

At June 30, 2016, the Commission had the following investments and maturities:

Investment Type	Valuation		Less Than		
	Measurement Method	Fair Value	Six Months	6-12 Months	1-5 Years
Bank Certificates of Deposit	Amortized Cost	\$ 7,509,887	\$ 2,509,788	\$ 5,000,099	\$ -
US Government Agencies	Fair Value Level 1	7,503,283	-	-	7,503,283
NC Capital Management Trust - Cash Portfolio	Amortized Cost	32,613,048	32,613,048	-	-
NC Capital Management Trust - Team Portfolio	Fair Value Level 1	5,102,552	5,102,552	-	-
Total Investments		\$ 52,728,770	\$ 40,225,388	\$ 5,000,099	\$ 7,503,283

*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach; using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

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. The policy states investments shall be limited to maturities not exceeding five years from the settlement date.

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Interest Rate Risk (Commission). As a means of limiting its exposure to fair value losses arising from rising interest rates, the Utilities Commission's investment policy limits investments with maturities exceeding three years to US Treasuries, US Agencies and Instrumentalities unless expressly approved by the Utilities Commission Board. Also, the Utilities Commission's investment policy advocates purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

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, 2016. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

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. The Commission's policy does not allow investment in any security that would not be held in the Commission's name.

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 Treasuries	\$ 5,312,724	21.2%
Federal Home Loan Bank	1,486,515	5.9%
Federal Home Loan Mortgage Corporation	7,293,227	29.1%
Federal National Mortgage Association	10,973,794	43.8%

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.

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OPEB Trust Fund (City excluding the Commission). At June 30, 2016, the City's OPEB Trust Fund had \$3,346,928 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 State Treasurer's OPEB Trust 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 (OPEB). 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, 2016. The State Treasurer's Long-Term Investment Fund ("LTIF") is unrated and had a weighted average maturity of 17.9 years at June 30, 2016.

Credit Risk (OPEB). 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.

OPEB Trust Fund (Commission). At June 30, 2016 the Commission OPEB Trust had \$2,334,501 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) 24.0%, which is reported as cash and cash equivalents; State Treasurer's Long-Term Investment Fund (LTIF) 10.0% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 66.0% (the equities were split with 75.0% in domestic securities and 25% in international securities).

Interest Rate Risk (Commission OPEB). 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 17.9 years at June 30, 2016.

Credit Risk (Commission OPEB). 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.

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Reconciliation of footnote to basic financial statements:

	<u>City</u>	<u>Commission</u>	<u>Total</u>
Total per footnote:			
Total investments	\$ 47,199,464	\$ 45,218,883	\$ 92,418,347
Cash	10,052,983	78,562,540	88,615,523
Certificates of deposit	1,000,000	7,509,887	8,509,887
Petty cash	8,549	6,550	15,099
Total	<u>\$ 58,260,996</u>	<u>\$ 131,297,860</u>	<u>\$ 189,558,856</u>
Total per Statement of Net Assets:			
Cash and investments - unrestricted			\$ 144,154,473
Cash and investments - restricted			<u>45,404,383</u>
			<u>\$ 189,558,856</u>

3. Receivables – Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2016 were as follows:

	<u>Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Governmental Activities:			
Taxes receivable	\$ 933,056	\$ 441,097	\$ 491,959
Accounts receivable:			
Rescue fees receivable	3,907,190	2,139,707	1,767,483
Lot cutting fees receivable	395,068	376,333	18,735
Parking violations receivable	213,180	165,205	47,975
Loans receivable	728,284	-	728,284
Other receivables	1,440,787	157,472	1,283,315
Due from other governments	3,659,689	-	3,659,689
Total governmental activities	<u>\$ 11,277,254</u>	<u>\$ 3,279,814</u>	<u>\$ 7,997,440</u>
Business-Type Activities:			
Greenville Utilities Commission	\$ 35,528,089	\$ 10,084,504	\$ 25,443,585
Other nonmajor enterprise	3,135,117	782,663	2,352,454
Due from other governments	2,515,205	-	2,515,205
Total business-type activities	<u>\$ 41,178,411</u>	<u>\$ 10,867,167</u>	<u>\$ 30,311,244</u>

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4. Capital Assets

Primary Government.

Capital asset activity for the primary government for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	(1) Adjustments	Adjusted June 30, 2015	Additions	Deletions	Transfers/CIP	Balance June 30, 2016
Governmental Activities							
Capital Assets Not Being Depreciated:							
Land	\$ 40,834,897	\$ 47,731	\$ 40,882,628	\$ -	\$ -	\$ -	\$ 40,882,628
Right-of-way easements	7,566,813	-	7,566,813	508,000	(57,600)	-	8,017,213
Construction in progress	35,278,070	(2,035,348)	33,242,722	6,369,842	(1,297,382)	(4,547,333)	33,767,849
Total capital assets not being depreciated	83,679,780	(1,987,617)	81,692,163	6,877,842	(1,354,982)	(4,547,333)	82,667,690
Capital Assets Being Depreciated:							
Buildings	58,120,967	1,155,754	59,276,721	47,044	-	1,238,789	60,562,554
Improvements	8,997,225	(2,152,423)	6,844,802	-	-	-	6,844,802
Intangible	-	610,777	610,777	10,083	(6,000)	-	614,860
Infrastructure	79,702,083	482,981	80,185,064	3,470,807	(176,120)	3,201,337	86,681,088
Vehicles	-	5,703,415	5,703,415	36,582	(759,888)	-	4,980,109
Machinery and equipment	20,544,979	(3,348,868)	17,196,111	336,864	(298,040)	107,207	17,342,142
Total capital assets being depreciated	167,365,254	2,451,636	169,816,890	3,901,380	(1,240,048)	4,547,333	177,025,555
Less Accumulated Depreciation For:							
Buildings	(29,895,184)	(171,783)	(30,066,967)	(2,705,780)	-	-	(32,772,747)
Improvements	(6,519,089)	1,004,087	(5,515,002)	(296,929)	-	-	(5,811,931)
Intangible	-	(493,885)	(493,885)	(34,076)	6,000	-	(521,961)
Infrastructure	(22,590,612)	(440,800)	(23,031,412)	(1,594,297)	112,274	-	(24,513,435)
Vehicles	-	(5,599,459)	(5,599,459)	(29,279)	759,888	-	(4,868,850)
Machinery and equipment	(16,952,170)	4,185,390	(12,766,780)	(1,381,542)	298,040	-	(13,850,282)
Total accumulated depreciation	(75,957,055)	(1,516,450)	(77,473,505)	(6,041,903)	1,176,202	-	(82,339,206)
Total capital assets being depreciated, net	91,408,199	935,186	92,343,385	(2,140,523)	(63,846)	4,547,333	94,686,349
Governmental activities capital assets, net	\$ 175,087,979	\$ (1,052,431)	\$ 174,035,548	\$ 4,737,319	\$ (1,418,828)	\$ -	\$ 177,354,039
Internal Service Fund:							
(reported in Governmental Activities)							
Capital Assets Not Being Depreciated:							
Construction in progress	\$ 219,959	\$ 20,212	\$ 240,171	\$ 408,548	\$ -	\$ (144,303)	\$ 504,416
Total capital assets not being depreciated	219,959	20,212	240,171	408,548	-	(144,303)	504,416
Capital Assets Being Depreciated:							
Building	-	414,559	414,559	32,700	-	144,303	591,562
Vehicles	21,192,751	(2,065,080)	19,127,671	3,350,321	(363,808)	-	22,114,184
Machinery and equipment	69,024	1,538,670	1,607,694	133,366	-	-	1,741,060
Improvements	443,575	(358,364)	85,211	-	-	-	85,211
Total capital assets being depreciated	21,705,350	(470,215)	21,235,135	3,516,387	(363,808)	144,303	24,532,017
Less Accumulated Depreciation For:							
Building	-	(27,672)	(27,672)	(31,706)	-	-	(59,378)
Vehicles	(13,479,750)	1,311,209	(12,168,541)	(1,654,116)	363,808	-	(13,458,849)
Machinery and equipment	-	(987,964)	(987,964)	(131,171)	-	-	(1,119,135)
Improvements	-	(4,561)	(4,561)	(6,462)	-	-	(11,023)
Total accumulated depreciation	(13,479,750)	291,012	(13,188,738)	(1,823,455)	363,808	-	(14,648,385)
Total capital assets being depreciated, net	8,225,600	(179,203)	8,046,397	1,692,932	-	144,303	9,883,632
Capital assets, net	\$ 8,445,559	\$ (158,991)	\$ 8,286,568	\$ 2,101,480	\$ -	\$ -	\$ 10,388,048

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

General government	\$ 863,205
Public safety	1,189,000
Economic and Physical Development	291,974
Cultural and recreational	2,085,140
Transportation	59,564
Infrastructure	<u>1,553,020</u>
Total	<u>\$ 6,041,903</u>
General government - Internal Service Fund	<u>\$ 1,823,455</u>

Business-type Activities.

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.

	Balance		Adjusted				Balance
	June 30, 2015	Adjustments	June 30, 2015	Additions	Deletions	Transfers/CIP	June 30, 2016
Business-type Activities							
Capital Assets Not Being Depreciated:							
Construction in progress	\$ 59,816	\$ 47,875	\$ 107,691	\$ 2,088,150	\$ -	\$ (35,423)	\$ 2,160,418
Total capital assets not being depreciated	<u>59,816</u>	<u>47,875</u>	<u>107,691</u>	<u>2,088,150</u>	<u>-</u>	<u>(35,423)</u>	<u>2,160,418</u>
Capital Assets Being Depreciated:							
Buildings	-	407,664	407,664	-	-	-	407,664
Machinery and equipment	7,285,374	(6,723,439)	561,935	-	-	-	561,935
Vehicles	-	5,840,597	5,840,597	-	-	-	5,840,597
Infrastructure	7,637,768	-	7,637,768	387,240	(44,030)	35,423	8,016,401
Total capital assets being depreciated	<u>14,923,142</u>	<u>(475,178)</u>	<u>14,447,964</u>	<u>387,240</u>	<u>(44,030)</u>	<u>35,423</u>	<u>14,826,597</u>
Less Accumulated Depreciation:							
Buildings	-	(404,270)	(404,270)	(367)	-	-	(404,637)
Machinery and equipment	(5,815,185)	5,294,242	(520,943)	(25,133)	-	-	(546,076)
Vehicles	-	(4,509,278)	(4,509,278)	(191,511)	-	-	(4,700,789)
Infrastructure	(119,852)	-	(119,852)	(152,755)	37,426	-	(235,181)
Total accumulated depreciation	<u>(5,935,037)</u>	<u>380,694</u>	<u>(5,554,343)</u>	<u>(369,766)</u>	<u>37,426</u>	<u>-</u>	<u>(5,886,683)</u>
Total capital assets being depreciated, net	<u>8,988,105</u>	<u>(94,484)</u>	<u>8,893,621</u>	<u>17,474</u>	<u>(6,604)</u>	<u>35,423</u>	<u>8,939,914</u>
Business-type activity capital assets, net	<u>\$ 9,047,921</u>	<u>\$ (46,609)</u>	<u>\$ 9,001,312</u>	<u>\$ 2,105,624</u>	<u>\$ (6,604)</u>	<u>\$ -</u>	<u>\$ 11,100,332</u>

(1) As discussed in Note III.D., the City has reported a prior period adjustment related to capital assets.

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Capital asset activity for the Commission for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers/CIP	Balance June 30, 2016
Capital Assets Not Being Depreciated:					
Land	\$ 3,628,897	\$ -	\$ -	\$ -	\$ 3,628,897
Easements	36,792	29,613	-	-	66,405
Construction in progress	55,459,062	20,892,325	-	(12,492,761)	63,858,626
Total capital assets not being depreciated	<u>59,124,751</u>	<u>20,921,938</u>	<u>-</u>	<u>(12,492,761)</u>	<u>67,553,928</u>
Capital Assets Being Depreciated:					
Land improvements	2,854,344	-	-	-	2,854,344
General plant	12,787,738	232,110	(114,846)	-	12,905,002
Utility plant	130,985,398	400,761	-	-	131,386,159
Computer software	8,251,252	35,932	(14,585)	9,424,933	17,697,532
Vehicles and equipment	24,510,824	1,447,857	(711,230)	-	25,247,451
Distribution systems	416,422,137	4,694,830	-	3,067,828	424,184,795
Transmission systems	33,171,940	116,855	-	-	33,288,795
Computer hardware	3,064,343	113,198	-	-	3,177,541
Fiber optics	2,120,790	40,088	-	-	2,160,878
Total capital assets being depreciated	<u>634,168,766</u>	<u>7,081,631</u>	<u>(840,661)</u>	<u>12,492,761</u>	<u>652,902,497</u>
Less Accumulated Depreciation For:					
Land improvements	1,051,017	84,303	-	-	1,135,320
General plant	6,220,943	338,344	(113,765)	-	6,445,522
Utility plant	57,184,876	4,016,691	-	-	61,201,567
Computer software	7,271,050	893,678	(14,585)	-	8,150,143
Vehicles and equipment	20,148,405	1,613,863	(643,412)	-	21,118,856
Distribution systems	208,968,855	10,528,193	-	-	219,497,048
Transmission systems	20,967,715	942,626	-	-	21,910,341
Computer hardware	2,746,138	135,819	-	-	2,881,957
Fiber optics	1,016,560	108,045	-	-	1,124,605
Total accumulated depreciation	<u>325,575,559</u>	<u>18,661,562</u>	<u>(771,762)</u>	<u>-</u>	<u>343,465,359</u>
Total capital assets being depreciated , net	<u>308,593,207</u>	<u>6,639,407</u>	<u>(68,899)</u>	<u>12,492,761</u>	<u>309,437,138</u>
Net Capital Assets	<u>\$ 367,717,958</u>	<u>\$27,561,345</u>	<u>\$ (68,899)</u>	<u>\$ -</u>	<u>\$ 376,991,066</u>

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2016 totaled \$7,978,297, \$3,962,590, \$5,028,068, and \$1,692,607, respectively.

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Construction Commitments (Commission).

The Commission has active construction projects as of June 30, 2016. 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 transmission system	\$ 334,009	\$ 2,813,993
Electric distribution system	5,510,354	\$ 540,912
Water treatment and distribution system	1,326,936	2,045,836
Sewer treatment and collection system	28,426,790	5,376,415
Natural gas distribution system	12,566,138	497,349
Administrative facilities	1,004,574	300,615
Total	<u>\$ 49,168,801</u>	<u>\$ 11,575,120</u>

B. Liabilities

Accounts Payable and Accrued Liabilities.

Payables at the government-wide level at June 30, 2016 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Trade payable	\$ 4,132,098	\$ 17,211,903
Accrued salaries and fringes	2,750,529	2,086,255
Other accrued expenses	-	1,984
Total	<u>\$ 6,882,627</u>	<u>\$ 19,300,142</u>

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Greenville and the Commission are participating employers in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. 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.

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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 law enforcement officers ("LEO") are eligible to retire with full retirement benefits at age 55 with five years of creditable service as a sworn 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 a sworn 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, 2016 was 7.15% of compensation for law enforcement officers and 6.74% 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 \$2,573,343 for the year ended June 30, 2016. The Commission's contributions to LGERS were \$1,782,767 for the year ended June 30, 2016.

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.

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

At June 30, 2016, the City reported an liability of \$3,185,866 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the City's proportion was 0.710%, which was a decrease of 0.029% from its proportion measured as of June 30, 2014.

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For the year ended June 30, 2016, the City recognized pension expense of \$1,265,722. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 748,857
Net difference between projected and actual earnings on pension plan investments	-	907,002
Changes in proportion and differences between contributions and proportionate share of contributions	-	655,468
Contributions subsequent to the measurement date	2,573,344	-
Total	<u>\$ 2,573,344</u>	<u>\$ 2,311,327</u>

\$2,573,344 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 ending June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	(1,245,633)
2018	(1,245,633)
2019	(1,243,693)
2020	1,423,632
Total	<u>\$ (2,311,327)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 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, 2014 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.

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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, 2015 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	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 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 3.00%. All rates of return and inflation are annualized.

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:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 22,215,404</u>	<u>\$ 3,185,854</u>	<u>\$ (12,846,121)</u>

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.

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

At June 30, 2016, the Commission reported a liability of \$1,880,087 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The Commission's proportion of the net pension liability 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, 2015, the Commission's proportion was 0.419%, which was an decrease of 0.002% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Commission recognized pension expense of \$891,087. At June 30, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 441,928
Net difference between projected and actual earnings on pension plan investments	-	535,254
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,362	-
Commission contributions subsequent to the measurement date	1,782,767	-
Total	\$ 1,891,129	\$ 977,182

\$1,782,767 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 ending June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ (590,955)
2018	(590,955)
2019	(590,478)
2020	903,568
Total	\$ (868,820)

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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:

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Discount Rate</u> <u>(7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Commission's proportionate share of the net pension liability (asset)	<u>\$ 13,110,116</u>	<u>\$ 1,880,088</u>	<u>\$ (7,580,962)</u>

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.

b. Law Enforcement Officers Special Separation Allowance

1. *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, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>187</u>
Total	<u>208</u>

A separate report is not issued for the plan.

2. *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.

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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, non-employer 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.

3. 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.

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the entry age normal actuarial cost method. This is a change from the previous year, which used the projected unit credit actuarial cost method. The actuarial cost method was changed in preparation for implementation of GASB Statement No. 73. The new method allocates the actuarial present value of the projected benefits of each individual on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to a valuation year is the normal cost. The projected unit credit method considers expected future pay increases in calculating the normal cost.

The actuarial assumptions included (a) 3.57% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 3.50% to 7.35% 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, 2015 was 15 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	\$ 662,718
Interest on net pension obligation	123,112
Adjustment to annual required contribution	<u>(216,372)</u>
Annual pension cost	569,458
Contribution made	<u>371,240</u>
Increase (decrease) in net pension obligation	198,218
Net pension obligation:	
Beginning of year, July 1, 2015	<u>2,462,245</u>
End of year, June 30, 2016	<u><u>\$ 2,660,463</u></u>

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3 Year Trend Information

Fiscal Year Ended	Annual Cost (APC)	APC Contributed	Net Pension Obligation
2014	\$ 475,663	67.73%	\$ 2,241,640
2015	573,251	61.52	2,462,245
2016	569,458	65.19	2,660,463

4. *Funded Status and Funding Progress.*

As of December 31, 2015, 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 \$7,753,711. The covered payroll (annual payroll of active employees covered by the plan) was \$11,278,574 and the ratio of the UAAL to the covered payroll was 68.75%.

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.

c. 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, 2016 were \$668,013, which consisted of \$513,321 from the City and \$154,692 from the law enforcement officers.

d. 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.

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e. Other Post-Employment Benefits

1. *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, 2015, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependable receiving benefits	238	-
Terminated plan members entitled to, but not yet receiving benefits	-	-
Active plan members	<u>531</u>	<u>173</u>
Total	<u><u>769</u></u>	<u><u>173</u></u>

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.

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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 8.67% of annual covered payroll. For the current year, the City contributed \$3,081,744, or 8.33%, 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, 2016 were \$2,002,394 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.

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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	\$ 3,207,785
Interest on net OPEB obligation	1,459,405
Adjustments to annual contribution	(1,213,005)
Annual OPEB cost (expense)	<u>3,454,185</u>
Contribution made	<u>3,081,744</u>
Increase in net pension obligation	372,441
Net OPEB obligation, beginning of year	<u>20,848,649</u>
Net OPEB obligation, end of year	<u><u>\$ 21,221,090</u></u>

The net OPEB Obligation is allocated as follows:

Government activities	\$ 19,325,614
Nonmajor enterprise funds:	
Public Transportation Fund	391,457
Stormwater Utility Fund	432,663
Sanitation Fund	<u>1,071,356</u>
Total	<u><u>\$ 21,221,090</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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>
2014	\$ 3,356,647	59.98%	\$ 18,843,188
2015	3,386,982	40.79	20,848,649
2016	3,454,185	89.20	21,221,090

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was 6.3% funded. The actuarial accrued liability for benefits was \$43,433,624, and the actuarial value of assets was \$2,828,490, resulting in an unfunded actuarial accrued liability (UAAL) of \$40,605,134. The covered payroll (annual payroll of active employees covered by the plan) was \$36,998,386, and the ratio of the UAAL to the covered payroll was 109.7%

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.

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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, 2015 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 an closed basis. The remaining amortization period at December 31, 2015 was 26 years.

2. 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.

Membership of the post-retirement benefit plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	160
Active members	425
Total	<u>585</u>

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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:

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

The current annual required contribution rate (ARC) is 7.86% of annual covered payroll. For fiscal year 2016, the Commission contributed \$1,553,515, or 6.3% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2016 were \$177,872 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.

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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	\$ 2,050,401
Interest on net OPEB obligation	801,174
Adjustments to annual contribution	(628,161)
Annual OPEB cost (expense)	<u>2,223,414</u>
Contribution made	<u>(1,553,515)</u>
Increase in net pension obligation	669,899
Net OPEB obligation, beginning of year	<u>11,445,339</u>
Net OPEB obligation, end of year	<u><u>\$ 12,115,238</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:

<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>
2014	\$ 1,920,431	53.64%	\$ 10,850,025
2015	1,892,521	68.544	11,445,339
2016	2,223,414	69.871	12,115,238

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was partially funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$24,018,898. The covered payroll (annual payroll of active employees covered by the plan) was \$24,470,208, and the ratio of the UAAL to the covered payroll was 98.2%. 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 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.

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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, 2015 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) 7.75% - 5.00% pre-Medicare medical cost trend rate and 5.75% - 5% post-Medicare medical cost trend rate with 2022 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 an open basis. The remaining amortization period at December 31, 2015 was 30 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, 2016.

2. 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.

The City has introduced in 2016 a High Deductible Health plan with a Health Savings Account to which the City contributes \$500 for individual coverage and \$1,000 for employee plus one. Deductibles are set at \$1,500 for an individual and \$3,000 for employee plus one.

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3. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources are comprised of the following:

	Deferred Outflows		
	Pension	Unamortized	
	Deferrals	Bond Refunding	
Adjustment to Full Accrual Internal Service Fund	\$ 2,290,276	\$ 995,687	
Governmental Activities	51,467	-	
	<u>\$ 2,341,743</u>	<u>\$ 995,687</u>	
Enterprise Funds - City	\$ 231,601	\$ 85,012	
Enterprise Funds - Commission	1,891,129	2,435,767	
Business Type Activities	<u>\$ 2,122,730</u>	<u>\$ 2,520,779</u>	
	Deferred Inflows		Unearned Revenue
	Pension	Other	Connection
	Deferrals	Receivables	Fees
Property Tax Receivable	\$ -	\$ 407,296	
Other Receivables (general fund)	-	2,299,990	
Other Receivables (nonmajor governmental funds)	-	233,642	
Adjustment to Full Accrual Internal Service Fund	2,057,081	(2,940,928)	
Governmental Activities	46,226	-	
	<u>\$ 2,103,307</u>	<u>\$ -</u>	
Enterprise Funds - City	\$ 208,020	\$ -	\$ 283,471
Enterprise Funds - Commission	977,182	-	254,721
Business Type Activities	<u>\$ 1,185,202</u>	<u>\$ -</u>	<u>\$ 538,192</u>

Unearned Revenue (Commission) 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 at the time the services was installed.

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4. 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. Commercial coverage is carried by the City for property and liability coverage. The City's retention is on a per claim basis as follows:

Coverages	Liability Coverage Limits
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.

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For the City (except for Commission), the claims liability of \$1,735,000 reported in accounts payable in the Health Insurance Internal Service Fund at June 30, 2016 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:

	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning	\$ 1,745,000	\$ 1,569,400
Incurred claims and administrative costs	11,296,721	12,112,245
Claim and administrative payments	<u>(11,306,721)</u>	<u>(11,936,645)</u>
Unpaid claims, ending	<u>\$ 1,735,000</u>	<u>\$ 1,745,000</u>

For the Commission, the medical claims liability of \$611,637 included in accounts payable and accrued expenses at June 30, 2016 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, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning	\$ 577,692	\$ 596,152
Incurred claims and administrative costs	5,578,306	5,218,561
Claim and administrative payments	<u>(5,544,361)</u>	<u>(5,237,021)</u>
Unpaid claims, ending	<u>\$ 611,637</u>	<u>\$ 577,692</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.

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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 \$766,753.

	<u>2016</u>
Unpaid claims, beginning	\$ 903,037
Incurred claims and administrative costs	940,895
Claim and administrative payments	<u>(1,077,179)</u>
Unpaid claims, ending	<u>\$ 766,753</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.

For the City and the Commission, 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.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2016, 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.

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6. Long-Term Obligations

a. Installment Purchase Contracts

A summary of the installment purchase contracts serviced by the City is as follows:

Governmental Activities	Governmental Funds
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%.	\$ 11,560,000
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%.	2,338,682
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%.	4,331,206
2016 Installment Purchase Contract \$2,100,000 original issue, due in semi-annual installments of \$70,000 to \$75,000 through 2030, plus interest at 2.65%.	2,021,294
Total Governmental Activities	\$ 20,251,182
Business-Type Activities	
2013 Installment Purchase Contract \$315,000 original issue, due in semi-annual installments of \$45,000 to \$51,831 through 2020, plus interest at 2.53%.	\$ 225,000
2014 Installment Purchase Contract \$360,000 original issue, due in semi-annual installments of \$52,145 to \$56,450 through 2022, plus interest at 2.79%.	308,572
2015 Installment Purchase Contract \$425,000 original issue, due in semi-annual installments of \$61,548 to \$66,558 through 2022, plus interest at 2.75%.	425,000
Total Business-Type Activities	\$ 958,572

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 2,521,752	\$ 422,334	\$ 2,944,086
2018	2,474,205	374,139	2,848,344
2019	2,426,923	326,560	2,753,483
2020	2,384,912	279,738	2,664,650
2021	1,753,180	235,825	1,989,005
2022-2026	6,550,317	662,732	7,213,049
2027-2030	2,139,893	109,998	2,249,891
Total	\$ 20,251,182	\$ 2,411,326	\$ 22,662,508

Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2017	\$ 157,142	\$ 24,437	\$ 181,579
2018	157,142	20,194	177,336
2019	157,142	15,951	173,093
2020	157,142	11,709	168,851
2021	157,142	7,464	164,606
2022-2023	172,862	4,056	176,918
Total	\$ 958,572	\$ 83,811	\$ 1,042,383

b. General Obligation Bonds

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.

<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%.	\$ 125,000	\$ -
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%.	2,400,000	-
2016 Public Improvement, Series 2016, refunding bonds, 10,050,000 original issue due in annual installments of \$70,000 to \$1,000,000 through 2027, plus interest at 1.89%.	6,142,310	3,837,690
Total General Obligation Bonds	\$ 8,667,310	\$ 3,837,690

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

Year Ending June 30,	Governmental Funds			Nonmajor Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 835,838	\$ 202,155	\$ 1,037,993	\$ 344,162	\$ 72,532	\$ 416,694
2018	766,230	182,919	949,149	378,770	66,028	444,798
2019	760,075	167,461	927,536	374,925	58,869	433,794
2020	747,766	151,320	899,086	367,234	51,783	419,017
2021	775,462	135,411	910,873	384,538	44,842	429,380
2022-2026	3,486,491	440,803	3,927,294	1,678,509	81,266	1,759,775
2027-2031	1,295,448	105,364	1,400,812	309,552	9,249	318,801
Total	<u>\$ 8,667,310</u>	<u>\$ 1,385,433</u>	<u>\$ 10,052,743</u>	<u>\$ 3,837,690</u>	<u>\$ 384,569</u>	<u>\$ 4,222,259</u>

c. Special Obligation Revenue Bonds

The City has also issued revenue bonds and pledges the income derived from the acquired or constructed assets to pay debt service. 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%	\$ 2,320,000
2015 Refunding 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%	4,135,000
Total Special Obligation Bonds	<u>\$ 6,455,000</u>

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

Year Ending June 30,	Principal	Interest	Total
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	615,000	137,824	752,824
2022-2026	3,016,602	408,188	3,424,790
2027	663,398	21,562	684,960
Total	<u>\$ 6,455,000</u>	<u>\$ 1,282,558</u>	<u>\$ 7,737,558</u>

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The City has pledged net occupancy tax revenues and other replacement revenues to repay these revenue bonds, of which \$6,455,000 is currently outstanding. These bonds are a combination of 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 \$7,737,558. Principal and interest paid for the current year bonds, debt service revenues from occupancy tax, and total Occupancy Tax were \$685,180, \$967,147, and \$1,934,295, respectively.

d. Changes in Long-Term Liabilities

The following is a summary of changes in the long-term obligations of the City for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
Governmental Activities					
General obligation bonds	\$ 9,394,015	\$ 6,185,392	\$ 6,912,097	\$ 8,667,310	\$ 835,838
Special obligation revenue	6,925,000	-	470,000	6,455,000	495,000
Installment purchase contracts	20,694,441	2,096,100	2,539,359	20,251,182	2,521,752
LEO separation allowance	2,462,245	785,830	587,612	2,660,463	-
Net pension liability (LGERS)	-	2,899,138	-	2,899,138	-
OPEB accrued liability	19,039,144	286,470	-	19,325,614	-
Compensated absences	3,140,602	2,669,512	3,001,458	2,808,656	1,966,059
Total governmental	<u>\$ 61,655,447</u>	<u>\$ 14,922,442</u>	<u>\$ 13,510,526</u>	<u>\$ 63,067,363</u>	<u>\$ 5,818,649</u>
Business-type Activities					
<i>Managed by the City</i>					
General obligation bonds	\$ 4,012,987	\$ 3,864,608	\$ 4,039,905	\$ 3,837,690	\$ 344,162
Installment purchase contracts	630,000	425,000	96,428	958,572	157,142
Net pension liability (LGERS)	-	286,728	-	286,728	-
OPEB accrued liability	1,809,505	85,971	-	1,895,476	-
Compensated absences	212,977	181,031	180,846	213,162	149,213
Total	<u>6,665,469</u>	<u>4,843,338</u>	<u>4,317,179</u>	<u>7,191,628</u>	<u>650,517</u>
<i>Managed by Commission</i>					
Revenue bonds	64,400,999	62,685,000	33,434,000	93,651,999	8,031,400
Other types of debt	35,559,334	4,052,023	3,024,317	36,587,040	2,374,886
Discounts and premiums	780,026	9,738,287	441,978	10,076,335	-
Compensated absences	1,932,625	1,834,343	1,681,957	2,085,011	1,554,007
Other postemployment benefits	11,445,339	669,899	-	12,115,238	-
Net pension liability (LGERS)	-	1,880,087	-	1,880,087	-
Total long-term liabilities	<u>114,118,323</u>	<u>80,859,639</u>	<u>38,582,252</u>	<u>156,395,710</u>	<u>11,960,293</u>
Total business-type	<u>\$ 120,783,792</u>	<u>\$ 85,702,977</u>	<u>\$ 42,899,431</u>	<u>\$ 163,587,338</u>	<u>\$ 12,610,810</u>

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 has a net pension liability at June 30, 2016; however, the plan has a net pension asset at the beginning of the fiscal year.

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Current Refunding:

On April 12, 2016 the City issued general obligation refunding bonds in the amount of \$10,050,000 as current refunding of the 2003 and 2006 general obligation bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$223,002. This amount is being deferred and amortized over the life of the new debt issued. The refunding reduced future debt service payments over the next ten years by \$1,503,683 and resulted in an economic gain of \$1,188,321.

7. Long-Term Obligations (Commission)

a. Debt Serviced by the Electric Fund

1. *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 \$37,370,570 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. Annual principal and interest payments on the bonds are expected to require less than 10% of net revenues, or less than 2% of total revenues. The total principal and interest remaining to be paid on the bonds is \$57,401,775. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,535,677, \$31,158,530, and \$182,013,147, 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 \$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.	\$ 347,739
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, 2019.	18,484
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.	401,855
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.	263,783
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.	1,490,000

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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.	2,423,589
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.	105,771
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.	4,800,459
Series 2016 Revenue Bonds with an original issue amount of \$22,679,530, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046.	22,679,530
Series 2016 Revenue Bonds with an original issue amount of \$1,369,152, issued to refund the Series 2005 Revenue Bonds, due in annual installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026.	1,369,152
Series 2016 Revenue Bonds with an original issue amount of \$3,470,208, issued to refund the Series 2008A Revenue Bonds, due in annual installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034.	<u>3,470,208</u>
	<u>\$37,370,570</u>

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

Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2017	\$ 2,006,521	\$ 1,185,058	\$ 3,191,579
2018	1,738,006	1,351,606	3,089,612
2019	2,094,742	1,288,196	3,382,938
2020	1,432,837	1,221,061	2,653,898
2021	2,072,146	1,174,833	3,246,979
2022-2026	6,920,916	8,038,736	14,959,652
2027-2031	4,957,561	3,803,418	8,760,979
2032-2036	5,107,950	2,570,844	7,678,794
2037-2041	5,056,634	1,660,702	6,717,336
2042-2046	5,983,257	736,751	6,720,008
Total	<u>\$ 37,370,570</u>	<u>\$ 23,031,205</u>	<u>\$ 60,401,775</u>

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2. *Take or Pay Contract*

The Commission had 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 had 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 constituted 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 July 1, 2015 was approximately \$277.8 million.

On July 31, 2015, the 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 \$277.8 million to \$85 million. The Commission’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. 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.

Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to NCEMPA. The Commission, along with the other member entities, entered into a 30 year take and pay all requirements contract for the delivery of wholesale electric power. 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.

b. Debt Serviced by Water Fund

1. *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 \$19,317,596 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. Annual principal and interest payments on the bonds are expected to require less than 44% of net revenues or less than 17% of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,245,335. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,162,608, \$6,957,388, and \$18,441,643, respectively.

Revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 188,384
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, 2019.	1,028,704

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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.	881,179
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.	5,196,217
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.	1,053,147
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.	52,885
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.	390,700
Series 2016 Revenue Bonds with an original issue amount of \$2,243,132, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	2,243,132
Series 2016 Revenue Bonds with an original issue amount of \$711,915, issued to refund the Series 2005 Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026	711,915
Series 2016 Revenue Bonds with an original issue amount of \$7,571,332, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	<u>7,571,333</u>
	<u>\$19,317,596</u>

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,353,527	\$ 739,810	\$ 3,093,337
2018	2,226,979	737,680	2,964,659
2019	2,135,460	636,576	2,772,036
2020	1,870,745	547,985	2,418,730
2021	1,517,144	481,584	1,998,728
2022-2026	2,882,646	1,898,040	4,780,686
2027-2031	2,927,929	1,211,247	4,139,176
2032-2036	2,311,260	437,695	2,748,955
2037-2041	500,129	164,253	664,382
2042-2046	591,777	72,869	664,646
Total	<u>\$ 19,317,596</u>	<u>\$ 6,927,739</u>	<u>\$ 26,245,335</u>

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2. 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.	\$ 2,719,440
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.	391,362
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.	188,645
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.	1,097,771
	<u>\$ 4,397,218</u>

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	295,316	70,555	365,871
2022-2026	1,476,583	255,374	1,731,957
2027-2031	1,268,862	93,037	1,361,899
2031-2033	175,193	5,620	180,813
Total	<u>\$ 4,397,218</u>	<u>\$ 771,742</u>	<u>\$ 5,168,960</u>

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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.	\$ 1,029,753
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.	16,792
	<u>\$ 1,046,545</u>

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 74,673	\$ -	\$ 74,673
2018	74,673	-	74,673
2019	74,673	-	74,673
2020	74,673	-	74,673
2021	74,673	-	74,673
2022-2026	373,367	-	373,367
2027-2031	299,813	-	299,813
Total	<u>\$ 1,046,545</u>	<u>\$ -</u>	<u>\$ 1,046,545</u>

c. Debt Serviced by the Sewer Fund

1. *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 \$21,661,887 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. Annual principal and interest payments on the bonds are expected to require less than 33% of net revenues, or less than 16% of total revenues. The total principal and interest remaining to be paid on the bonds is \$30,065,246. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,323,158, \$9,919,170, and \$21,383,669, respectively.

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Revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 204,116
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, 2019.	876,370
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.	1,563,562
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.	1,349,389
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.	832,684
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.	3,086,300
Series 2016 Revenue Bonds with an original issue amount of \$4,719,168, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	4,719,168
Series 2016 Revenue Bonds with an original issue amount of \$2,118,933, issued to refund the Series 2005 Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026	2,118,933
Series 2016 Revenue Bonds with an original issue amount of \$6,911,365, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	<u>6,944,365</u>
	<u>\$21,661,887</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,591,480	\$ 709,981	\$ 3,301,461
2018	2,403,149	759,641	3,162,790
2019	2,102,383	685,354	2,787,737
2020	1,547,400	630,090	2,177,490
2021	1,231,125	583,366	1,814,491
2022-2026	3,814,685	2,338,579	6,153,264
2027-2031	3,065,126	1,505,480	4,570,606
2032-2036	2,609,353	692,005	3,301,358
2037-2041	1,052,187	345,560	1,397,747
2042-2046	1,244,999	153,303	1,398,302
Total	\$ 21,661,887	\$ 8,403,359	\$ 30,065,246

2. *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:

Description	Amount
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.	\$ 9,633,141
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.	7,092,800
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.	11,551,562
0.0% Clean Water State Revolving Fund loan issued in 2013 to finance the energy efficiency replacement and upgrade to the wastewater treatment plant ultraviolet disinfection system, \$2,198,250 authorized and \$1,806,103 drawn to date, due in annual installments of \$90,305 with a final payment on May 1, 2036	1,806,103
	<u>\$30,083,606</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,853,515	\$ 677,621	\$ 2,531,136
2018	1,904,170	653,162	2,557,332
2019	1,904,170	608,460	2,512,630
2020	1,904,170	563,757	2,467,927
2021	1,904,170	519,055	2,423,225
2022-2026	9,520,850	1,924,739	11,445,589
2027-2031	8,832,769	807,179	9,639,948
2032-2036	2,259,792	61,148	2,320,940
Total	<u>\$ 30,083,606</u>	<u>\$ 5,815,121</u>	<u>\$ 35,898,727</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, 2016, \$1,059,671 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:

Year Ending June 30,	Principal	Interest	Total
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	151,382	76,919	228,301
2022-2023	302,761	164,755	467,516
Total	<u>\$ 1,059,671</u>	<u>\$ 586,270</u>	<u>\$ 1,645,941</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

d. Debt Serviced by the Gas Fund

1. *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 \$15,301,946 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. Annual principal and interest payments on the bonds are expected to require less than 37% of net revenues, or less than 6% of total revenues. The total principal and interest remaining to be paid on the bonds is \$23,597,536. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,223,843, \$4,028,283, and \$27,728,938, 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 \$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.	\$ 274,759
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, 2019.	96,443
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.	458,404
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.	2,008,875
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.	418,660
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.	1,154,541
Series 2016 Revenue Bonds with an original issue amount of \$10,253,170, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	10,253,170
Series 2016 Revenue Bonds with an original issue amount of \$637,094, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	637,094
	<u>\$15,301,946</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,079,872	\$ 468,028	\$ 1,547,900
2018	845,665	528,868	1,374,533
2019	816,215	504,706	1,320,921
2020	582,019	480,076	1,062,095
2021	844,586	462,725	1,307,311
2022-2026	2,236,752	2,018,677	4,255,429
2027-2031	1,829,384	1,610,042	3,439,426
2032-2036	2,076,437	1,138,606	3,215,043
2037-2041	2,286,050	750,785	3,036,835
2042-2046	2,704,966	333,077	3,038,043
Total	\$ 15,301,946	\$ 8,295,590	\$ 23,597,536

2. 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, 2016 is as follows:

Operating revenues	\$ 247,208,408
Operating expenses ¹	(195,145,037)
Operating income	52,063,371
Nonoperating revenues:	
Miscellaneous revenues ²	2,032,768
Interest income ²	326,221
Income available for service	\$ 54,422,360
Parity debt service (principal and interest paid)	\$ 10,245,286
Parity debt service coverage ratio	531%
Subordinate and other debt service (principal and interest paid)	\$ 3,959,176
Subordinate and other debt service coverage ratio	1116%

¹In accordance with rate covenants operating expenses excludes depreciation expense of \$18,661,562; unfunded OPEB expense of \$669,899; and the net of pension expense and pension expenditures of (\$729,995) promulgated by the implementation of GASB Statement No. 68 and GASB Statement No. 71.

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

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

Current Refunding:

On June 14, 2016 the Commission issued revenue bonds in the amount of \$4,200,000 as current refunding of the 2005 revenue bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$140,250. This amount is being deferred and amortized over the life of the new debt issued. The refunding reduced future debt service payments over the next ten years by \$216,360 and resulted in an economic gain of \$250,585.

Advance Refunding:

On June 14, 2016, the Commission issued \$18,590,000 of revenue advanced refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for the redemption of \$21,040,000 of revenue bonds which are callable on November 1, 2018. As a result, the refunded bonds are considered defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,546,282. This amount is being deferred and amortized over the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$3,259,153 and resulted in an economic gain of \$2,362,122.

C. Interfund Balances and Activity

1. Due to/From Other Funds

Balances due to/from other funds at June 30, 2016 consist of the following:

Receivable Fund	Payable Fund								Total
	General Fund	Nonmajor Governmental	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Nonmajor Enterprise	Internal Service Funds	
General Fund	\$ -	\$ 243,891	\$ 67,095	\$ 48,533	\$ 28,745	\$ 3,123	\$ 1,027,753	\$ 1,428,210	\$2,847,350
Nonmajor Governmental	-	98,767	-	-	-	-	-	-	98,767
Electric Fund	249,799	-	-	-	-	-	-	-	249,799
Internal service funds	-	2,789	-	-	-	-	-	-	2,789
Total	\$ 249,799	\$ 345,447	\$ 67,095	\$ 48,533	\$ 28,745	\$ 3,123	\$ 1,027,753	\$ 1,428,210	\$3,198,705

Amounts due to/from the various funds of the government were primarily for the transfer of cash to fund operating shortfalls. As of June 30, 2016, the City's general fund reported an additional \$90,111 due to the Commission for utility services. The Commission reports this amount in its Accounts Receivable, net on the Statement of Net Position with other sales receivables related to its core business.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

2. Interfund Transfers

Transfers to/from other funds at June 30, 2016 consist of the following:

Transfers In	Transfers Out						Total
	Major	Nonmajor	Nonmajor			Internal	
	General	Governmental	Enterprise	Electric	Gas	Service	
Fund	Funds	Funds			Funds		
General Fund	\$ -	\$ 59,960	\$ 58,942	\$ 5,542,975	\$ 1,815,290	\$ 8,487	\$ 7,485,654
Nonmajor governmental funds	8,821,700	102,500	-	-	-	-	8,924,200
Nonmajor enterprise funds	713,442	-	-	-	-	-	713,442
Internal service funds	1,579,180	-	-	-	-	-	1,579,180
Governmental Wide- governmental activities	-	-	-	-	-	-	-
Total	<u>\$ 11,114,322</u>	<u>\$ 162,460</u>	<u>\$ 58,942</u>	<u>\$ 5,542,975</u>	<u>\$ 1,815,290</u>	<u>\$ 8,487</u>	<u>\$ 18,702,476</u>

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.

D. Prior Period Adjustment

Effective July 1, 2015, the City implemented a new accounting and financial reporting system with an underlying capital asset module. As part of that implementation, management conducted an inventory of the City's assets and reviewed them for existence, proper classification, and appropriate valuation, including accumulated depreciation. As a result of this review, management determined that additional classifications were needed to properly report the capital assets. Estimated lives for asset classifications were also reviewed and adjusted in some cases to better reflect the City's actual experience. Management also noted errors in the previous system's calculation of accumulated depreciation for some assets. As a result of this review, management has determined that adjustments to the classification and values of capital assets and to certain liabilities for the cost of certain assets as of June 30, 2015 are required.

In the prior year, the City posted an accrual for goods and services in the wrong fund. The amount of this reclassification was \$308,198.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

	Nonmajor Governmental Funds	Internal Service Funds	Governmental Activities	Nonmajor Enterprise Funds	Business- Type Activities
Beginning net position, as previously reported	\$ 10,694,050	\$ 17,671,268	\$ 195,208,986	\$ 5,732,660	\$ 347,403,154
Restatement	(308,198)	(158,998)	(1,519,628)	261,587	261,587
Net position, beginning of year – July 1, as restated	<u>\$ 10,385,852</u>	<u>\$ 17,512,270</u>	<u>\$ 193,689,358</u>	<u>\$ 5,994,247</u>	<u>\$ 347,664,741</u>

E. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2016, the City of Greenville has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$29,753 for the 102 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 \$12,531 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, 2016. 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.

F. Net Investment in Capital Assets

Net investment in capital assets, at June 30, 2016 is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 187,742,087	\$ 388,091,798
Less capital debt:		
Gross debt	35,373,492	144,153,464
Less:		
Unamortized bond refunding charges	(995,687)	(2,520,779)
Unexpended debt proceeds	(3,717,748)	(25,613,773)
Net capital debt	<u>30,660,057</u>	<u>116,018,912</u>
Capital assets, net of related debt	<u>\$ 157,082,030</u>	<u>\$ 272,072,886</u>

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. Jointly Governed Organization

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 "Visitors Authority"). The City's accountability is to approve the annual budget along with Pitt County. The City does not contribute funds to the Visitors Authority. The Visitors 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 Visitors 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.

V. 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 fiscal year 2015, \$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 convention 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 convention 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 "Airport Authority") for the joint benefit of all participants. Upon dissolution of the Airport 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 Airport 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 Airport Authority to operate the airport. The City contributed \$44,250 to the Airport Authority during the fiscal year ended June 30, 2016. 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, 2016. Complete financial statements for the Airport Authority can be obtained from the Airport Authority's Administrative Office at Airport Road, P.O. Box 671, Greenville, North Carolina, 27835.

VI. Related Organization

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.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

VII. Summary Disclosure of Significant Contingencies

A. 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.

VIII. 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, 2016, the City and Commission had no arbitrage liabilities.

IX. 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 secures its natural gas supplies through various marketers and uses marketing firms to buy and sell natural gas contracts on its behalf. The Commission typically enters into contracts whereby it purchases and fixes a portion of its gas supply in advance. At June 30, 2016, the Commission has commitments to take delivery on a total of 1,510,000 MMBtu's at fixed prices ranging from \$2.54 to \$2.86 per MMBtu and in varying amounts from July 2016 through December 2017. In addition, the Commission has commitments to take delivery on 50,000 additional MMBtu's per month during the period December 2016 through March 2017 for which a price has not yet been fixed.

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 Utilities 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.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

X. Significant effects of subsequent events

Management has evaluated subsequent events through October 31, 2016, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

On October 8, 2016 Hurricane Matthew impacted the Greenville Utilities service area with high winds and major flooding. The Commission's Operation Center was evacuated due to flooding, including inventories, vehicles and equipment. Damage due to the hurricane was primarily limited to buildings damaged by flooding with minimal impact on system infrastructure. Preliminary estimates are that the costs to evacuate the operations center, operate from remote sites and to repair damages are approximately \$2 million. The extent of reimbursements from property insurance and public assistance from FEMA are not currently known.



FY 2016 Comprehensive Annual Financial Report
REQUIRED SUPPLEMENTAL STATEMENTS

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

Schedule A-1

YEAR ENDED JUNE 30, 2016

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/ b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2015	\$ -	\$ 7,753,711	\$ 7,753,711	0.00%	\$ 11,278,574	68.75%
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%

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	12/31/2015	
Actuarial cost method	Entry age normal	
Amortization method	Level dollar closed	
Remaining amortization period	156 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	3.57%	* Includes inflation at 3.00%
Projected salary increases *	3.50% - 7.35%	
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, 2016

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/ b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2015	\$ 2,828,490	\$ 43,433,624	\$ 40,605,134	6.51%	\$ 36,998,386	109.7%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2016	\$ 3,207,785	96.07%
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%

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	12/31/2015	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	26 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	2022	

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

Schedule A-3

YEAR ENDED JUNE 30, 2016

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2015	\$ 2,303,463	\$ 26,322,361	\$ 24,018,898	8.8%	\$ 24,470,208	98.2%
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%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contribution	Percentage Contributed
2016	\$ 2,050,401	75.8%
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%

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	12/31/2015	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, open	
Remaining amortization period	30 years	
Amortization factor	18.2204	
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	2022	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule A-4

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) –
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM – CITY
REQUIRED SUPPLEMENTARY INFORMATION***FOR THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset) (%)	0.70987%	0.73849%	0.75020%
City's proportion of the net pension liability (asset) (\$)	\$ 3,185,854	\$ (4,355,215)	\$ 9,042,791
City's covered-employee payroll	\$ 37,825,656	\$ 37,985,393	\$ 34,252,534
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.42%	-11.47%	26.40%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	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***FOR THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,573,343	\$ 2,684,845	\$ 2,660,675
Contributions in relation to the contractually required contribution	<u>2,573,343</u>	<u>2,684,845</u>	<u>2,660,675</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 37,116,150	\$ 37,825,656	\$ 37,985,393
Contributions as a percentage of covered-employee payroll	6.93%	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 THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.41892%	0.42068%	0.42030%
Proportion of the net pension liability (asset) (\$)	\$ 1,880,088	\$ (2,480,943)	\$ 5,066,229
Covered-employee payroll	\$ 25,472,704	\$ 24,998,713	\$ 24,741,607
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.38%	-9.92%	20.48%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	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 THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,782,767	\$ 1,789,817	\$ 1,755,810
Contributions in relation to the contractually required contribution	<u>1,782,767</u>	<u>1,789,817</u>	<u>1,755,810</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Utility Commission's covered-employee payroll	\$ 26,665,074	\$ 25,472,704	\$ 24,998,713
Contributions as a percentage of covered-employee payroll	6.69%	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, 2016

Fiscal Year	Balance June 30, 2015	Additions	Collections and Credits	Balance June 30, 2016
2016-2015	\$ -	\$ 32,676,680	\$ 32,488,669	\$ 188,011
2015-2014	233,969	-	137,824	96,145
2014-2013	143,578	-	48,783	94,795
2013-2012	140,652	-	39,292	101,360
2012-2011	94,000	-	17,665	76,335
2011-2010	90,254	-	13,892	76,362
2010-2009	81,964	-	9,239	72,725
2009-2008	100,763	-	12,840	87,923
2008-2007	68,610	-	4,986	63,624
2007-2006	80,350	-	4,574	75,776
2006-2005	63,808	-	63,808	-
	<u>\$ 1,097,948</u>	<u>\$ 32,676,680</u>	<u>\$ 32,841,572</u>	<u>933,056</u>
Less Allowance for uncollectible accounts - General Fund				<u>441,097</u>
Ad Valorem Taxes Receivable Net - General Fund				<u>\$ 491,959</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$ 32,775,803
Reconciling Items:				
Amount written off per statute				(92,965)
Interest collected				(172,176)
Miscellaneous				330,910
Total collections and credits				<u>\$ 32,841,572</u>

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

Schedule A-9

YEAR ENDED JUNE 30, 2016

	City-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 6,236,543,962	0.53	\$ 33,053,683	\$ 29,002,602	\$ 4,051,081
Penalties	-		15,696	15,696	-
Total	<u>6,236,543,962</u>		<u>33,069,379</u>	<u>29,018,298</u>	<u>4,051,081</u>
Discoveries:					
Current year taxes	6,532,264	0.53	34,621	34,621	-
Penalties	-		11,291	11,291	-
Total	<u>6,532,264</u>		<u>45,912</u>	<u>45,912</u>	<u>-</u>
Abatements	<u>(82,756,792)</u>		<u>(438,611)</u>	<u>(438,579)</u>	<u>(32)</u>
Total property valuation	<u>\$ 6,160,319,434</u>				
Net levy			32,676,680	28,625,631	4,051,049
Uncollected taxes as of June 30, 2016			<u>(188,011)</u>	<u>(188,011)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 32,488,669</u>	<u>\$ 28,437,620</u>	<u>\$ 4,051,049</u>
Current levy collection percentage			99.42%	99.34%	100.00%
Prior year collection percentage			99.28%	99.18%	100.00%



FY 2016 Comprehensive Annual Financial Report
GOVERNMENTAL FUND FINANCIAL STATEMENTS

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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes		\$ 33,057,633		\$ 33,201,505
Interest and penalties		172,176		220,768
Tax discounts		(409,232)		(316,067)
Tax refunds		(44,774)		(150,016)
Total ad valorem taxes	\$ 33,039,074	32,775,803	\$ (263,271)	32,956,190
Other Taxes:				
Local options sales tax		6,440,816		6,341,177
Cable TV franchise tax		871,961		908,091
One-half percent sales tax		7,123,607		6,862,985
Medicaid Hold Harmless payment		3,725,269		3,384,544
Rental vehicle - gross receipts		142,723		127,304
Total other taxes	18,328,044	18,304,376	(23,668)	17,624,101
Unrestricted Intergovernmental:				
Other unrestricted revenues		46,599		51,075
Utilities franchise tax		6,949,180		6,282,750
Beer and wine tax		390,180		416,085
Total unrestricted intergovernmental	7,335,889	7,385,959	50,070	6,749,910
Restricted Intergovernmental:				
NC DOT traffic control lights		11,360		290,776
Housing Authority Drug Grant		48,870		40,059
Special Federal, State, and Local Grants		26,404		13,241
Section 104F Planning Grant		91,762		160,358
Law Enforcement Block Grant		-		2,743
Other restricted intergovernmental revenue		105,891		242,766
File and Rescue SAFER Grant		-		-
Powell Bill – State allocation payment		2,220,065		2,235,741
Total restricted intergovernmental	3,451,326	2,504,352	(946,974)	2,985,684
Licenses, Permits, and Fees:				
Privilege licenses		23		724,810
Inspection fees		715,659		1,099,748
State fire protection		386,926		380,431
Planning department fees		135,975		102,943
Police department fees		763,888		1,243,985
Fire and rescue department fees		177,557		201,220
Other permits and fees		172,475		64,539
Total licenses, permits, and fees	2,077,975	2,352,503	274,528	3,817,676

GENERAL FUND

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

YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Sales and Services:				
Rescue fees		\$ 3,060,016		\$ 3,527,942
Recreation department programs and fees		1,015,048		1,111,937
Utilities street cuts		195,069		293,129
Rents and concessions		280,499		277,343
Other sales and services		532,055		555,743
Total sales and services	\$ 5,356,067	5,082,687	\$ (273,380)	5,766,094
Investment earnings	133,490	691,409	557,919	363,857
Other Revenues:				
Parking violation penalty		297,783		188,324
Other revenues		757,752		392,919
Total other revenues	1,394,335	1,055,535	(338,800)	581,243
Total Revenues	71,116,200	70,152,624	(963,576)	70,844,755
Expenditures:				
General Government:				
Mayor and City Council		399,007		363,076
City Manager		1,257,274		1,060,062
City Clerk		232,547		261,408
City Attorney		468,045		456,107
Human Resources		3,620,959		2,412,518
Financial Services		2,490,010		2,454,669
Information Technology		3,263,757		2,909,254
Total general government	12,384,743	11,731,599	653,144	9,917,094
Public Safety:				
Fire and rescue		13,630,368		12,839,310
Police		23,390,240		22,575,236
Total public safety	37,280,256	37,020,608	259,648	35,414,546
Public Works:				
Other public works		7,682,251		6,819,702
Streets		898,594		1,104,523
Total public works	10,712,747	8,580,845	2,131,902	7,924,225
Economic and Physical Development:				
Community development	3,258,794	2,624,265	634,529	2,466,066
Total economic and physical development	3,258,794	2,624,265	634,529	2,466,066

GENERAL FUND

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

YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Cultural and Recreational:				
Recreation	\$ 8,437,451	\$ 7,644,937	\$ 792,514	\$ 7,400,170
Total cultural and recreational	<u>8,437,451</u>	<u>7,644,937</u>	<u>792,514</u>	<u>7,400,170</u>
Capital outlay	-	-	-	2,596,181
Reimbursement of indirect cost	(1,268,214)	(1,390,870)	122,656	(1,284,768)
Contribution to OPEB trust	450,000	450,000	-	400,000
Total expenditures	<u>71,255,777</u>	<u>66,661,384</u>	<u>4,594,393</u>	<u>64,833,514</u>
Revenues over (under) expenditures	<u>(139,577)</u>	<u>3,491,240</u>	<u>3,630,817</u>	<u>6,011,241</u>
Other Financing Sources (Uses):				
Transfers from other funds:				
Greenville Utilities Commission turnover	6,509,564	6,592,442	82,878	5,747,834
Greenville Utilities Commission, lighting reimbursement	852,704	765,823	(86,881)	757,210
Other funds	130,025	127,389	(2,636)	57,871
Transfers to other funds	(11,109,174)	(11,114,322)	(5,148)	(11,408,692)
Contingency	-	-	-	-
Appropriated fund balance	<u>3,756,458</u>	-	<u>(3,756,458)</u>	-
Total other financing sources (uses)	<u>139,577</u>	<u>(3,628,668)</u>	<u>(3,768,245)</u>	<u>(4,845,777)</u>
Net change in fund balance	<u>\$ -</u>	<u>(137,428)</u>	<u>\$ (137,428)</u>	1,165,464
Fund Balance:				
Fund balance, beginning of year – July 1		32,579,539		31,412,547
Restatement		-		1,528
Fund balance, end of year – June 30		<u>\$ 32,442,111</u>		<u>\$ 32,579,539</u>



FY 2016 Comprehensive Annual Financial Report

NON-MAJOR GOVERNMENTAL FUNDS

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

Schedule B-1

JUNE 30, 2016

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 731,313	\$ 145,678	\$ 5,169,035	\$ 6,046,026
Accounts receivable, net	657,267	-	591,481	1,248,748
Interest receivable	1,963	-	-	1,963
Due from other funds	-	98,767	-	98,767
Prepaid items and deposits	79,204	-	-	79,204
Restricted cash and investments	685,721	109,616	3,608,131	4,403,468
Total assets	<u>\$ 2,155,468</u>	<u>\$ 354,061</u>	<u>\$ 9,368,647</u>	<u>\$ 11,878,176</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 109,444	\$ -	\$ 213,979	\$ 323,423
Advances from grantors	167,842	-	30,872	198,714
Due to other funds	246,680	-	-	246,680
Total liabilities	<u>523,966</u>	<u>-</u>	<u>244,851</u>	<u>768,817</u>
Deferred Inflows of Resources:				
Loans receivable	-	-	233,642	233,642
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>233,642</u>	<u>233,642</u>
Fund Balances:				
Nonspendable:				
Prepaid items	79,204	-	-	79,204
Loans receivable	-	-	301,864	301,864
Restricted:				
Stabilization by State statute	676,847	98,767	55,975	831,589
Restricted for economic development	568,338	-	3,608,131	4,176,469
Restricted for cultural and recreational	117,383	-	-	117,383
Restricted for debt service	-	109,616	-	109,616
Committed:				
Committed for general government	-	-	793,076	793,076
Committed for cultural and recreational	-	-	256,093	256,093
Committed for public safety	-	-	73,003	73,003
Committed for economic development	-	-	1,807,433	1,807,433
Committed for capital outlays	-	-	2,097,475	2,097,475
Committed for debt service	-	145,678	-	145,678
Assigned:				
Assigned for subsequent year's expenditures	19,736	-	-	19,736
Assigned for cultural and recreational	598,668	-	-	598,668
Unassigned	(428,674)	-	(102,896)	(531,570)
Total fund balances	<u>1,631,502</u>	<u>354,061</u>	<u>8,890,154</u>	<u>10,875,717</u>
Total liabilities and fund balances	<u>\$ 2,155,468</u>	<u>\$ 354,061</u>	<u>\$ 9,368,647</u>	<u>\$ 11,878,176</u>

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, 2016

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Revenues:				
Other taxes	\$ -	\$ 520,822	\$ 446,325	\$ 967,147
Restricted intergovernmental	2,581,346	-	2,935,483	5,516,829
Investment earnings	1,985	4,163	2,466	8,614
Other revenues	231,926	-	52,826	284,752
Total revenues	<u>2,815,257</u>	<u>524,985</u>	<u>3,437,100</u>	<u>6,777,342</u>
Expenditures:				
Current:				
General government	-	-	681,313	681,313
Cultural and recreational	2,316,243	-	1,077,370	3,393,613
Public safety	-	-	8,757	8,757
Economic and physical development	1,907,970	-	6,411,256	8,319,226
Principal retirement	-	3,808,442	-	3,808,442
Interest and fees	-	871,158	-	871,158
Total expenditures	<u>4,224,213</u>	<u>4,679,600</u>	<u>8,178,696</u>	<u>17,082,509</u>
Revenues over (under) expenditures	<u>(1,408,956)</u>	<u>(4,154,615)</u>	<u>(4,741,596)</u>	<u>(10,305,167)</u>
Other Financing Sources (Uses):				
Long-term debt issued	-	-	2,096,100	2,096,100
Refunding debt issued	-	6,185,392	-	6,185,392
Payments to escrow agents	-	(6,248,200)	-	(6,248,200)
Transfers from other funds	1,467,197	4,281,286	3,175,717	8,924,200
Transfers to other funds	(9,960)	(102,500)	(50,000)	(162,460)
Total other financing sources (uses)	<u>1,457,237</u>	<u>4,115,978</u>	<u>5,221,817</u>	<u>10,795,032</u>
Net change in fund balances	<u>48,281</u>	<u>(38,637)</u>	<u>480,221</u>	<u>489,865</u>
Fund Balances:				
Fund balances, beginning of year – July 1, as previously reported	1,583,221	392,698	8,718,131	10,694,050
Restatement	-	-	(308,198)	(308,198)
Fund balances, end of year – June 30	<u>\$ 1,631,502</u>	<u>\$ 354,061</u>	<u>\$ 8,890,154</u>	<u>\$ 10,875,717</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, 2016

	<u>Community Development Fund</u>	<u>Sheppard Memorial Library</u>	<u>Housing Trust Fund</u>	<u>Centralized Grant</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ -	\$ 731,313	\$ -	\$ -	\$ 731,313
Accounts receivable, net	563,116	86,580	6,785	786	657,267
Interest receivable	-	1,963	-	-	1,963
Prepaid items	-	79,204	-	-	79,204
Restricted cash and investments	<u>177,818</u>	<u>117,383</u>	<u>29,346</u>	<u>361,174</u>	<u>685,721</u>
Total assets	<u>\$ 740,934</u>	<u>\$ 1,016,443</u>	<u>\$ 36,131</u>	<u>\$ 361,960</u>	<u>\$ 2,155,468</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 49,765	\$ 12,984	\$ 620	\$ 46,075	\$ 109,444
Advances from grantors	-	-	-	167,842	167,842
Due to other funds	<u>164,372</u>	<u>82,308</u>	<u>-</u>	<u>-</u>	<u>246,680</u>
Total liabilities	<u>214,137</u>	<u>95,292</u>	<u>620</u>	<u>213,917</u>	<u>523,966</u>
Fund Balances:					
Nonspendable:					
Prepaid items	-	79,204	-	-	79,204
Loans receivable	-	-	-	-	-
Restricted:					
Stabilization by State statute	563,116	106,160	6,785	786	676,847
Restricted for public safety	-	-	-	-	-
Restricted for economic and physical development	177,818	-	29,346	361,174	568,338
Restricted for cultural and recreational	-	117,383	-	-	117,383
Assigned:					
Assigned for subsequent year's expenditures	-	19,736	-	-	19,736
Assigned for cultural and recreational	-	598,668	-	-	598,668
Unassigned	<u>(214,137)</u>	<u>-</u>	<u>(620)</u>	<u>(213,917)</u>	<u>(428,674)</u>
Total fund balances	<u>526,797</u>	<u>921,151</u>	<u>35,511</u>	<u>148,043</u>	<u>1,631,502</u>
Total liabilities and fund balances	<u>\$ 740,934</u>	<u>\$ 1,016,443</u>	<u>\$ 36,131</u>	<u>\$ 361,960</u>	<u>\$ 2,155,468</u>

CITY OF GREENVILLE, NORTH CAROLINA

Schedule C-2

NONMAJOR SPECIAL REVENUE FUNDS

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

YEAR ENDED JUNE 30, 2016

	Community Development Fund	Sheppard Memorial Library	Housing Trust Fund	Centralized Grant	Total
Revenues:					
Restricted intergovernmental	\$ 984,106	\$ 963,104	\$ -	\$ 634,136	\$ 2,581,346
Investment earnings	-	1,985	-	-	1,985
Other revenues	33,564	197,141	1,110	111	231,926
Total revenues	<u>1,017,670</u>	<u>1,162,230</u>	<u>1,110</u>	<u>634,247</u>	<u>2,815,257</u>
Expenditures:					
Current:					
Cultural and recreational	-	2,316,243	-	-	2,316,243
Economic and physical development	1,252,789	-	16,138	639,043	1,907,970
Total expenditures	<u>1,252,789</u>	<u>2,316,243</u>	<u>16,138</u>	<u>639,043</u>	<u>4,224,213</u>
Revenues over (under) expenditures	<u>(235,119)</u>	<u>(1,154,013)</u>	<u>(15,028)</u>	<u>(4,796)</u>	<u>(1,408,956)</u>
Other Financing Sources (Uses):					
Transfers from other funds	235,561	1,162,192	-	69,444	1,467,197
Transfers to other funds	(9,960)	-	-	-	(9,960)
Total other financing sources (uses)	<u>225,601</u>	<u>1,162,192</u>	<u>-</u>	<u>69,444</u>	<u>1,457,237</u>
Net change in fund balances	(9,518)	8,179	(15,028)	64,648	48,281
Fund Balances:					
Fund balance – July 1,	<u>536,315</u>	<u>912,972</u>	<u>50,539</u>	<u>83,395</u>	<u>1,583,221</u>
Fund balance, end of year – June 30	<u>\$ 526,797</u>	<u>\$ 921,151</u>	<u>\$ 35,511</u>	<u>\$ 148,043</u>	<u>\$ 1,631,502</u>

CITY OF GREENVILLE, NORTH CAROLINA

Schedule C-3

COMMUNITY DEVELOPMENT AND HOME FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
CDBG & Home Entitlement Program:					
Property owners matching fund	\$ -	\$ 42,570	\$ (42,570)	\$ -	\$ -
Federal grant, HUD	2,678,735	11,885,513	(11,885,513)	984,106	984,106
Consortium members	-	13,666	(13,666)	-	-
Loan payments	87,489	270,007	(270,007)	31,968	31,968
Interest income	-	25	(25)	-	-
Sale of acquired property	150,500	401,558	(401,558)	1,596	1,596
Total revenues	<u>2,916,724</u>	<u>12,613,339</u>	<u>(12,613,339)</u>	<u>1,017,670</u>	<u>1,017,670</u>
Expenditures:					
CDBG and Home Entitlement Program:					
Administration	785,644	2,622,614	(2,622,614)	336,039	336,039
Rehabilitation – third-party owned dwellings	1,111,191	4,799,048	(4,799,048)	526,125	526,125
Rehabilitation – rental	-	62,875	(62,875)	-	-
Outside agency funding	371,716	665,687	(665,687)	100,688	100,688
Acquisition dilapidated	165,544	400,609	(400,609)	29,987	29,987
Code enforcement	186,815	178,110	(178,110)	-	-
Small area revitalization	-	5,000	(5,000)	-	-
Demolition grants	27,553	103,443	(103,443)	19,950	19,950
Secondary mortgage	556,912	493,060	(493,060)	210,000	210,000
Economic Development Study, West Grn./Meadowbrook	241,344	238,549	(238,549)	30,000	30,000
Other expenses	-	58,010	(58,010)	-	-
Relocation	35,000	46,481	(46,481)	-	-
Contribution to other consortium members	166,217	3,684,208	(3,684,208)	-	-
Capital outlay	12,403	11,834	(11,834)	-	-
Total expenditures	<u>3,660,339</u>	<u>13,369,528</u>	<u>(13,369,528)</u>	<u>1,252,789</u>	<u>1,252,789</u>
Revenues over (under) expenditures	<u>(743,615)</u>	<u>(756,189)</u>	<u>756,189</u>	<u>(235,119)</u>	<u>(235,119)</u>
Other Financing Sources (Uses):					
Transfers in (out):					
Transfers from other funds	1,501,075	2,048,701	(2,048,701)	235,561	235,561
Transfers to other funds	(757,460)	(756,197)	756,197	(9,960)	(9,960)
Total other financing sources (uses)	<u>743,615</u>	<u>1,292,504</u>	<u>(1,292,504)</u>	<u>225,601</u>	<u>225,601</u>
Net change in fund balance	\$ -	\$ 536,315	\$ (536,315)	(9,518)	\$ (9,518)
Fund Balance:					
Beginning of year				<u>536,315</u>	
End of year – June 30				<u>\$ 526,797</u>	

SHEPPARD MEMORIAL LIBRARY

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

YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Pitt County - operating	\$ 567,394	\$ 567,395	\$ 1
Town of Winterville	161,620	161,620	-
Town of Bethel	30,315	30,315	-
Pitt County for Town of Bethel and Winterville	12,000	12,000	-
State aid	191,774	191,774	-
Fees	128,775	131,661	2,886
Interest earnings	1,000	1,985	985
Housing authority	10,692	10,692	-
Miscellaneous	38,934	54,788	15,854
Total revenues	<u>1,142,504</u>	<u>1,162,230</u>	<u>19,726</u>
Expenditures:			
Current:			
Cultural and recreational:			
Salaries and benefits	1,450,653	1,410,732	39,921
Greenville Housing Authority	10,692	10,613	79
Other operating expenditures	407,264	349,772	57,492
Maintenance and repairs	225,087	238,972	(13,885)
Capital outlay	296,800	306,154	(9,354)
Total expenditures	<u>2,390,496</u>	<u>2,316,243</u>	<u>74,253</u>
Revenues over (under) expenditures	<u>(1,247,992)</u>	<u>(1,154,013)</u>	<u>93,979</u>
Other Financing Sources (Uses):			
Transfers in - City of Greenville-operating	1,162,192	1,162,192	-
Appropriated fund balance	85,800	-	85,800
Total other financing sources (uses)	<u>1,247,992</u>	<u>1,162,192</u>	<u>85,800</u>
Net change in fund balance	<u>\$ -</u>	<u>8,179</u>	<u>\$ 8,179</u>
Fund Balances:			
Beginning of year – July 1		<u>912,972</u>	
End of year – June 30		<u>\$ 921,151</u>	

HOUSING TRUST FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Grants	\$ 178,500	\$ 178,576	\$ -	\$ 178,576
Investment earnings	12,472	12,473	-	12,473
Other revenues	31,003	36,323	1,110	37,433
Total revenues	<u>221,975</u>	<u>227,372</u>	<u>1,110</u>	<u>228,482</u>
Expenditures:				
Small area revitalization	19,332	19,979	-	19,979
Rehabilitation	221,113	215,374	-	215,374
Other expenditures	102,530	62,480	16,138	78,618
Total expenditures	<u>342,975</u>	<u>297,833</u>	<u>16,138</u>	<u>313,971</u>
Revenues over (under) expenditures	(121,000)	(70,461)	(15,028)	(85,489)
Other Financing Sources (Uses):				
Transfers from other funds	<u>121,000</u>	<u>121,000</u>	-	<u>121,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,539</u>	(15,028)	35,511
Fund Balance:				
Beginning of year – July 1			<u>50,539</u>	-
End of year – June 30			<u>\$ 35,511</u>	<u>\$ 35,511</u>

CENTRALIZED GRANT PROJECT

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Federal and State grants	\$ 3,471,632	\$ 804,309	\$ 634,136	\$ 1,438,445
Investment income	-	1	-	1
Other revenue	-	2,100	111	2,211
Total revenues	<u>3,471,632</u>	<u>806,410</u>	<u>634,247</u>	<u>1,440,657</u>
Expenditures:				
Operating	2,656,187	867,201	234,635	1,101,836
Capital outlay	<u>1,216,675</u>	<u>24,100</u>	<u>404,408</u>	<u>428,508</u>
Total expenditures	<u>3,872,862</u>	<u>891,301</u>	<u>639,043</u>	<u>1,530,344</u>
Revenues over (under) expenditures	(401,230)	(84,891)	(4,796)	(89,687)
Other Financing Sources (Uses):				
Transfers from other funds	<u>401,230</u>	<u>168,286</u>	<u>69,444</u>	<u>237,730</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 83,395</u>	64,648	<u>\$ 148,043</u>
Fund Balance:				
Beginning of year – July 1			<u>83,395</u>	
End of year – June 30			<u>\$ 148,043</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, 2016

	Affordable Housing Project	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Community Development Fund	IT Fund	Fire and Rescue Fund	Police Fund	Capital Reserve Fund	Total
Assets:										
Cash and cash equivalents	\$ 457,614	\$ 585,958	\$ 633,683	\$ 269,749	\$ 239,404	\$ 812,149	\$ -	\$ 73,003	\$ 2,097,475	\$ 5,169,035
Accounts receivable, net	301,864	-	240,139	41	49,422	15	-	-	-	591,481
Restricted cash and investments	-	1,376,938	2,177,760	-	53,433	-	-	-	-	3,608,131
Total assets	<u>\$ 759,478</u>	<u>\$ 1,962,896</u>	<u>\$ 3,051,582</u>	<u>\$ 269,790</u>	<u>\$ 342,259</u>	<u>\$ 812,164</u>	<u>\$ -</u>	<u>\$ 73,003</u>	<u>\$ 2,097,475</u>	<u>\$ 9,368,647</u>
Liabilities and Fund Balances:										
Liabilities:										
Accounts payable and accrued liabilities	\$ 33,804	\$ 2,507	\$ 45,908	\$ 13,697	\$ 98,990	\$ 19,073	\$ -	\$ -	\$ -	\$ 213,979
Advances from grantors	-	-	30,872	-	-	-	-	-	-	30,872
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>33,804</u>	<u>2,507</u>	<u>76,780</u>	<u>13,697</u>	<u>98,990</u>	<u>19,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,851</u>
Deferred Inflows of Resources:										
Accounts receivable	-	-	233,642	-	-	-	-	-	-	233,642
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>233,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,642</u>
Fund Balances:										
Nonspendable:										
Loans receivable	301,864	-	-	-	-	-	-	-	-	301,864
Restricted:										
Stabilization by State statute	-	-	6,497	41	49,422	15	-	-	-	55,975
Restricted for economic development	-	1,376,938	2,177,760	-	53,433	-	-	-	-	3,608,131
Committed:										
Committed for general government	-	-	-	-	-	793,076	-	-	-	793,076
Committed for cultural and recreational	-	-	-	256,093	-	-	-	-	-	256,093
Committed for public safety	-	-	-	-	-	-	-	73,003	-	73,003
Committed for economic development	423,810	583,451	556,903	-	243,269	-	-	-	-	1,807,433
Committed for capital outlays	-	-	-	-	-	-	-	-	2,097,475	2,097,475
Unassigned	-	-	-	(41)	(102,855)	-	-	-	-	(102,896)
Total fund balances	<u>725,674</u>	<u>1,960,389</u>	<u>2,741,160</u>	<u>256,093</u>	<u>243,269</u>	<u>793,091</u>	<u>-</u>	<u>73,003</u>	<u>2,097,475</u>	<u>8,890,154</u>
Total liabilities and fund balances	<u>\$ 759,478</u>	<u>\$ 1,962,896</u>	<u>\$ 3,051,582</u>	<u>\$ 269,790</u>	<u>\$ 342,259</u>	<u>\$ 812,164</u>	<u>\$ -</u>	<u>\$ 73,003</u>	<u>\$ 2,097,475</u>	<u>\$ 9,368,647</u>

CITY OF GREENVILLE, NORTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Schedule D-2

YEAR ENDED JUNE 30, 2016

	Affordable Housing Project	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Community Development Fund	IT Fund	Fire and Rescue Fund	Police Fund	Capital Reserve Fund	Total
Revenues:										
Restricted intergovernmental	\$ -	\$ 600,000	\$ 1,292,954	\$ 942,529	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 2,935,483
Other taxes and licenses	-	-	446,325	-	-	-	-	-	-	446,325
Investment earnings	-	114	1,352	-	451	-	-	-	549	2,466
Other revenues	20,956	-	-	-	31,870	-	-	-	-	52,826
Total revenues	20,956	600,114	1,740,631	942,529	132,321	-	-	-	549	3,437,100
Expenditures:										
Current:										
General government	-	-	-	-	-	681,313	-	-	-	681,313
Public safety	-	-	-	-	-	-	-	8,757	-	8,757
Cultural and recreational	-	-	-	1,077,370	-	-	-	-	-	1,077,370
Economic and physical development	61,265	1,262,252	4,661,908	-	425,831	-	-	-	-	6,411,256
Total expenditures	61,265	1,262,252	4,661,908	1,077,370	425,831	681,313	-	8,757	-	8,178,696
Revenues over (under) expenditures	(40,309)	(662,138)	(2,921,277)	(134,841)	(293,510)	(681,313)	-	(8,757)	549	(4,741,596)
Other Financing Sources (Uses):										
Bonds issued	-	2,096,100	-	-	-	-	-	-	-	2,096,100
Transfers from other funds	-	433,500	1,247,136	-	-	-	47,780	-	1,447,301	3,175,717
Transfer to other funds	-	-	-	-	-	-	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	2,529,600	1,247,136	-	-	-	47,780	-	1,397,301	5,221,817
Net change in fund balances	(40,309)	1,867,462	(1,674,141)	(134,841)	(293,510)	(681,313)	47,780	(8,757)	1,397,850	480,221
Fund Balances:										
Beginning of year – July 1, as previously reported	765,983	92,927	4,723,499	390,934	536,779	1,474,404	(47,780)	81,760	699,625	8,718,131
Restatement	-	-	(308,198)	-	-	-	-	-	-	(308,198)
End of year – June 30	\$ 725,674	\$ 1,960,389	\$ 2,741,160	\$ 256,093	\$ 243,269	\$ 793,091	\$ -	\$ 73,003	\$ 2,097,475	\$ 8,890,154

AFFORDABLE HOUSING FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Interest earnings	\$ 180,500	\$ 190,930	\$ -	\$ -	\$ 190,930
Other revenues	492,100	658,951	-	20,085	679,036
Sale of property	1,706,000	1,806,866	-	871	1,807,737
Total revenues	<u>2,378,600</u>	<u>2,656,747</u>	<u>-</u>	<u>20,956</u>	<u>2,677,703</u>
Expenditures:					
Current:					
Affordable Housing:					
Affordable Housing Project	3,903,600	3,416,239	-	61,265	3,477,504
Total expenditures	<u>3,903,600</u>	<u>3,416,239</u>	<u>-</u>	<u>61,265</u>	<u>3,477,504</u>
Revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(759,492)</u>	<u>-</u>	<u>(40,309)</u>	<u>(799,801)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	525,000	525,000	-	-	525,000
Bonds issued	1,000,000	1,000,475	-	-	1,000,475
Total other financing sources (uses)	<u>1,525,000</u>	<u>1,525,475</u>	<u>-</u>	<u>-</u>	<u>1,525,475</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 765,983</u>	<u>\$ -</u>	<u>(40,309)</u>	<u>\$ 725,674</u>
Fund Balance:					
Beginning of year – July 1				<u>765,983</u>	
End of year – June 30				<u>\$ 725,674</u>	

RECREATION AND PARKS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ 1,350,000	\$ -	\$ -	\$ 600,000	\$ 600,000
Total restricted intergovernmental	<u>1,350,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Miscellaneous:					
Interest	-	-	-	114	114
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>114</u>
Total revenues	<u>1,350,000</u>	<u>-</u>	<u>-</u>	<u>600,114</u>	<u>600,114</u>
Expenditures:					
Current:					
Recreation and Parks:					
Play Together Construction Grant	1,000,000	-	-	95,775	95,775
South Greenville Reconstruction	<u>3,083,500</u>	<u>107,073</u>	<u>-</u>	<u>1,166,477</u>	<u>1,273,550</u>
Total expenditures	<u>4,083,500</u>	<u>107,073</u>	<u>-</u>	<u>1,262,252</u>	<u>1,369,325</u>
Revenues over (under) expenditures	<u>(2,733,500)</u>	<u>(107,073)</u>	<u>-</u>	<u>(662,138)</u>	<u>(769,211)</u>
Other Financing Sources (Uses):					
Transfer from other Fund	633,500	200,000	-	433,500	633,500
Bonds issued	<u>2,100,000</u>	<u>-</u>	<u>-</u>	<u>2,096,100</u>	<u>2,096,100</u>
Total other financing sources (uses)	<u>2,733,500</u>	<u>200,000</u>	<u>-</u>	<u>2,529,600</u>	<u>2,729,600</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 92,927</u>	<u>\$ -</u>	<u>1,867,462</u>	<u>\$ 1,960,389</u>
Fund Balance:					
Beginning of year – July 1				<u>92,927</u>	
End of year – June 30				<u>\$ 1,960,389</u>	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule D-5

PUBLIC WORKS CAPITAL PROJECT FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ 13,977,723	\$ 4,239,081	\$ -	\$ 1,292,954	\$ 5,532,035
Total restricted intergovernmental	<u>13,977,723</u>	<u>4,239,081</u>	<u>-</u>	<u>1,292,954</u>	<u>5,532,035</u>
Miscellaneous:					
Other	20,500	149,017	-	-	149,017
Interest earnings	33,440	9,920	-	1,352	11,272
Occupany taxes	88,000	361,058	-	446,325	807,383
Total miscellaneous	<u>141,940</u>	<u>519,995</u>	<u>-</u>	<u>447,677</u>	<u>967,672</u>
 Total revenues	 <u>14,119,663</u>	 <u>4,759,076</u>	 <u>-</u>	 <u>1,740,631</u>	 <u>6,499,707</u>
Expenditures:					
Current:					
Public works:					
Street Improvement	3,788,000	1,214,543	-	1,552,090	2,766,633
CVA Expansion Phase III	4,688,000	3,043,268	-	1,533,432	4,576,700
GTAC Project	8,816,917	420,338	-	1,562,701	1,983,039
King George Bridge	504,999	814	-	13,685	14,499
Stantonsburg Road / 10th Street Connector	6,044,950	5,657,344	-	-	5,657,344
Thomas Langston Road Extension Project	3,980,847	3,623,774	-	-	3,623,774
Energy Efficiency Recovery Grant	502,600	216,892	-	-	216,892
Energy Savings Equipment	2,591,373	2,590,366	-	-	2,590,366
Pedestrian Crossing	210,761	-	-	-	-
Total expenditures	<u>31,128,447</u>	<u>16,767,339</u>	<u>-</u>	<u>4,661,908</u>	<u>21,429,247</u>
 Revenues over (under) expenditures	 <u>(17,008,784)</u>	 <u>(12,008,263)</u>	 <u>-</u>	 <u>(2,921,277)</u>	 <u>(14,929,540)</u>
Other Financing Sources (Uses):					
Transfer from other funds	5,595,608	5,292,850	-	1,247,136	6,539,986
Transfers to other funds	(275,000)	(275,000)	-	-	(275,000)
Long-term debt issued	6,791,373	6,791,372	-	-	6,791,372
Bonds issued	4,896,803	4,922,540	-	-	4,922,540
Total other financing sources (uses)	<u>17,008,784</u>	<u>16,731,762</u>	<u>-</u>	<u>1,247,136</u>	<u>17,978,898</u>
 Revenues and other financing sources (uses) over (under) expenditures	 <u>\$ -</u>	 <u>\$ 4,723,499</u>	 <u>\$ -</u>	 <u>(1,674,141)</u>	 <u>3,049,358</u>
Fund Balance:					
Beginning of year – July 1, as previously reported				4,723,499	-
Restatement				<u>(308,198)</u>	<u>(308,198)</u>
End of year – June 30				<u>\$ 2,741,160</u>	<u>\$ 2,741,160</u>

GREENWAYS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ 2,579,921	\$ 303,847	\$ -	\$ 942,529	\$ 1,246,376
Total restricted intergovernmental	<u>2,579,921</u>	<u>303,847</u>	<u>-</u>	<u>942,529</u>	<u>1,246,376</u>
Miscellaneous:					
Donations	-	50,000	-	-	50,000
Total miscellaneous	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
 Total revenues	 <u>2,579,921</u>	 <u>353,847</u>	 <u>-</u>	 <u>942,529</u>	 <u>1,296,376</u>
Expenditures:					
Current:					
Greenways:					
Green Mill Greenway	3,298,446	743,758	-	1,077,370	1,821,128
Total expenditures	<u>3,298,446</u>	<u>743,758</u>	<u>-</u>	<u>1,077,370</u>	<u>1,821,128</u>
 Revenues over (under) expenditures	 <u>(718,525)</u>	 <u>(389,911)</u>	 <u>-</u>	 <u>(134,841)</u>	 <u>(524,752)</u>
Other Financing Sources (Uses):					
Transfer from other funds	718,525	780,845	-	-	780,845
Transfer to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>718,525</u>	<u>780,845</u>	<u>-</u>	<u>-</u>	<u>780,845</u>
 Revenues and other financing sources (uses) over (under) expenditures	 <u>\$ -</u>	 <u>\$ 390,934</u>	 <u>\$ -</u>	 <u>(134,841)</u>	 <u>\$ 256,093</u>
Fund Balance:					
Beginning of year – July 1				<u>390,934</u>	
End of year – June 30				<u>\$ 256,093</u>	

COMMUNITY DEVELOPMENT FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ 132,500	\$ 40,162	\$ -	\$ 100,000	\$ 140,162
Total restricted intergovernmental	<u>132,500</u>	<u>40,162</u>	<u>-</u>	<u>100,000</u>	<u>140,162</u>
Miscellaneous:					
Other	594,652	431,062	-	31,870	462,932
Sales and services	393,749	521,231	-	-	521,231
Interest earnings	399,640	405,847	-	451	406,298
Total miscellaneous	<u>1,388,041</u>	<u>1,358,140</u>	<u>-</u>	<u>32,321</u>	<u>1,390,461</u>
 Total revenues	 <u>1,520,541</u>	 <u>1,398,302</u>	 <u>-</u>	 <u>132,321</u>	 <u>1,530,623</u>
Expenditures:					
Current:					
Community Development:					
Uptown Parking Deck	5,194,153	5,026,007	-	49,482	5,075,489
Center City Revitalization	5,169,917	4,969,029	-	128,397	5,097,426
GUC Energy Improvement	100,000	-	-	41,905	41,905
Energy Efficiency Revolving Loan	275,000	197,924	-	53,132	251,056
West Greenville Revitalization	6,102,764	5,989,856	-	152,915	6,142,771
Total expenditures	<u>16,841,834</u>	<u>16,182,816</u>	<u>-</u>	<u>425,831</u>	<u>16,608,647</u>
 Revenues over (under) expenditures	 <u>(15,321,293)</u>	 <u>(14,784,514)</u>	 <u>-</u>	 <u>(293,510)</u>	 <u>(15,078,024)</u>
Other Financing Sources (Uses):					
Transfers to other funds	(160,500)	(160,500)	-	-	(160,500)
Transfers from other funds	435,500	435,500	-	-	435,500
Premium received on debt issue	48,747	48,747	-	-	48,747
Long term debt issued	4,997,546	4,997,546	-	-	4,997,546
Bonds issued	10,000,000	10,000,000	-	-	10,000,000
Total other financing sources (uses)	<u>15,321,293</u>	<u>15,321,293</u>	<u>-</u>	<u>-</u>	<u>15,321,293</u>
 Revenues and other financing sources (uses) over (under) expenditures	 <u>\$ -</u>	 <u>\$ 536,779</u>	 <u>\$ -</u>	 <u>(293,510)</u>	 <u>\$ 243,269</u>
Fund Balance:					
Beginning of year – July 1				<u>536,779</u>	
End of year – June 30				<u>\$ 243,269</u>	

IT CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Expenditures:					
Current:					
IT:					
ERP	\$ 2,500,000	\$ 1,025,596	\$ -	\$ 681,313	\$ 1,706,909
Total expenditures	<u>2,500,000</u>	<u>1,025,596</u>	<u>-</u>	<u>681,313</u>	<u>1,706,909</u>
Revenues over (under) expenditures	<u>(2,500,000)</u>	<u>(1,025,596)</u>	<u>-</u>	<u>(681,313)</u>	<u>(1,706,909)</u>
Other Financing Sources (Uses):					
Transfer from other funds	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
Total other financing sources (uses)	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 1,474,404</u>	<u>\$ -</u>	<u>(681,313)</u>	<u>\$ 793,091</u>
Fund Balance:					
Beginning of year – July 1				<u>1,474,404</u>	
End of year – June 30				<u>\$ 793,091</u>	

CITY OF GREENVILLE, NORTH CAROLINA
FIRE AND RESCUE CAPITAL PROJECTS FUND

Schedule D-9

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ 600,000
Total restricted intergovernmental	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Expenditures:					
Current:					
Fire and Rescue:					
Emergency Operations Center	<u>1,096,842</u>	<u>1,096,480</u>	<u>-</u>	<u>-</u>	<u>1,096,480</u>
Total expenditures	<u>1,096,842</u>	<u>1,096,480</u>	<u>-</u>	<u>-</u>	<u>1,096,480</u>
Revenues over (under) expenditures	<u>(496,842)</u>	<u>(496,480)</u>	<u>-</u>	<u>-</u>	<u>(496,480)</u>
Other Financing Sources (Uses):					
Transfer from other funds	<u>496,842</u>	<u>448,700</u>	<u>-</u>	<u>47,780</u>	<u>496,480</u>
Total other financing sources (uses)	<u>496,842</u>	<u>448,700</u>	<u>-</u>	<u>47,780</u>	<u>496,480</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (47,780)</u>	<u>\$ -</u>	<u>47,780</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year – July 1				<u>(47,780)</u>	
End of year – June 30				<u>\$ -</u>	

POLICE CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, state, and local grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total restricted intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous:					
Other	-	120	-	-	120
Interest earnings	-	6,184	-	-	6,184
Total miscellaneous	<u>-</u>	<u>6,304</u>	<u>-</u>	<u>-</u>	<u>6,304</u>
Total revenues	<u>-</u>	<u>6,304</u>	<u>-</u>	<u>-</u>	<u>6,304</u>
Expenditures:					
Current:					
Police:					
New Technology for Public Safety	3,484,000	2,646,614	-	8,757	2,655,371
Police Storage Facility	1,500,000	-	-	-	-
Total expenditures	<u>4,984,000</u>	<u>2,646,614</u>	<u>-</u>	<u>8,757</u>	<u>2,655,371</u>
Revenues over (under) expenditures	<u>(4,984,000)</u>	<u>(2,640,310)</u>	<u>-</u>	<u>(8,757)</u>	<u>(2,649,067)</u>
Other Financing Sources (Uses):					
Bond proceeds	1,500,000	-	-	-	-
Transfer from other funds	3,484,000	3,484,000	-	-	3,484,000
Transfer to other funds	-	(761,930)	-	-	(761,930)
Total other financing sources (uses)	<u>4,984,000</u>	<u>2,722,070</u>	<u>-</u>	<u>-</u>	<u>2,722,070</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 81,760</u>	<u>\$ -</u>	<u>(8,757)</u>	<u>\$ 73,003</u>
Fund Balance:					
Beginning of year – July 1				<u>81,760</u>	
End of year – June 30				<u>\$ 73,003</u>	

CAPITAL RESERVE FUND

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

YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Positive/ Negative
Revenues:			
Investment earnings	\$ -	\$ 549	\$ 549
Total revenues	<u>-</u>	<u>549</u>	<u>549</u>
Revenues over (under) expenditures	<u>-</u>	<u>549</u>	<u>549</u>
Other Financing Sources (Uses):			
Appropriated fund balance	50,000	-	(50,000)
Increase in reserve	(1,447,301)	-	1,447,301
Transfers from other funds	1,447,301	1,447,301	-
Transfers to other funds	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>-</u>	<u>1,397,301</u>	<u>1,397,301</u>
Net change in fund balance	<u>\$ -</u>	<u>1,397,850</u>	<u>\$ 1,397,850</u>
Fund Balance:			
Beginning of year – July 1		<u>699,625</u>	
End of year – July 1		<u>\$ 2,097,475</u>	



FY 2016 Comprehensive Annual Financial Report
DEBT SERVICE FUND

Debt Service Fund

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

CITY OF GREENVILLE, NORTH CAROLINA

Schedule E-1

NONMAJOR DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Other taxes	\$ 685,181	\$ 520,822	\$ (164,359)
Investment earnings	-	4,163	4,163
Total revenues	<u>685,181</u>	<u>524,985</u>	<u>(160,196)</u>
Expenditures:			
Current:			
Principal retirement	13,790,808	3,808,442	9,982,366
Interest and fees	<u>1,164,369</u>	<u>871,158</u>	<u>293,211</u>
Total expenditures	<u>14,955,177</u>	<u>4,679,600</u>	<u>10,275,577</u>
Revenues over (under) expenditures	<u>(14,269,996)</u>	<u>(4,154,615)</u>	<u>10,115,381</u>
Other Financing Sources (Uses):			
Appropriated fund balance	32,500	-	(32,500)
Transfers from other funds	4,289,996	4,281,286	(8,710)
Transfers to other funds	(102,500)	(102,500)	-
Refunding debt issued	10,050,000	6,185,392	(3,864,608)
Payments to escrow agent	-	<u>(6,248,200)</u>	<u>(6,248,200)</u>
Total other financing sources (uses)	<u>14,269,996</u>	<u>4,115,978</u>	<u>(10,154,018)</u>
Net change in fund balance	<u>\$ -</u>	<u>(38,637)</u>	<u>\$ (38,637)</u>
Fund Balance:			
Beginning of year – July 1		<u>392,698</u>	
End of year – June 30		<u>\$ 354,061</u>	



FY 2016 Comprehensive Annual Financial Report
PROPRIETARY FUND FINANCIAL STATEMENTS

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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 180,957,143	\$ 177,785,263	\$ (3,171,880)	\$ 196,828,376
Fees and charges	1,312,993	1,499,960	186,967	1,221,977
U.G. temp service charges	133,206	170,695	37,489	119,537
Miscellaneous	679,143	710,641	31,498	822,672
Total operating revenues	<u>183,082,485</u>	<u>180,166,559</u>	<u>(2,915,926)</u>	<u>198,992,562</u>
Non-Operating Revenues:				
Interest on investments	164,581	170,725	6,144	162,186
Miscellaneous	1,150,377	1,765,528	615,151	718,587
Total non-operating revenues	<u>1,314,958</u>	<u>1,936,253</u>	<u>621,295</u>	<u>880,773</u>
Total revenues	<u>184,397,443</u>	<u>182,102,812</u>	<u>(2,294,631)</u>	<u>199,873,335</u>
Expenditures:				
Electric Fund:				
Maintenance and repairs		1,553,476		3,168,777
Other operating expenses		153,000,843		183,082,984
Capital outlay		4,482,944		5,906,099
Debt service		3,352,378		3,408,847
Total expenditures	<u>168,581,219</u>	<u>162,389,641</u>	<u>6,191,578</u>	<u>195,566,707</u>
Excess of revenues over (under) expenditures	<u>15,816,224</u>	<u>19,713,171</u>	<u>3,896,947</u>	<u>4,306,628</u>
Other Financing Sources (Uses):				
Revenue bonds issued	283,776	329,114	45,338	-
Intrafund transfers	(16,100,000)	(17,600,000)	(1,500,000)	(4,000,000)
Total other financing sources (uses)	<u>(15,816,224)</u>	<u>(17,270,886)</u>	<u>(1,454,662)</u>	<u>(4,000,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,442,285</u>	<u>\$ 2,442,285</u>	<u>\$ 306,628</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		<u>\$ 2,442,285</u>		<u>\$ 306,628</u>
Budgetary appropriations – capital		4,482,944		5,906,099
Budgetary appropriations – debt principal		2,420,378		2,745,501
Depreciation		(7,978,297)		(7,677,763)
Debt issued		(329,114)		-
Amortization of bond premium and discount		9,726		10,024
Amortization of deferred loss on refundings		(45,428)		(45,784)
Capitalization of bond interest		37,047		-
Changes in accrued interest payable		17,895		19,050
Changes in unrealized gains/losses on investments		4,213		(7,999)
Intra-fund transfers		17,600,000		4,000,000
Changes in OPEB liability		(300,137)		(267,837)
Changes in net pension asset		(1,111,749)		1,111,749
Changes in deferred outflows for pensions		(62,427)		50,985
Changes in net pension liability		(770,836)		2,270,254
Changes in deferred inflows for pensions		2,308,959		(2,709,604)
Revenue recognized in Rate Stabilization Fund		26,994		-
Revenue recognized in capital projects		(28,810)		575,866
Total reconciling items		<u>16,281,358</u>		<u>5,980,541</u>
Changes in net position		<u>\$ 18,723,643</u>		<u>\$ 6,287,169</u>

CITY OF GREENVILLE, NORTH CAROLINA

WATER OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Positive/ Negative	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 17,697,267	\$ 17,792,061	\$ 94,794	\$ 16,753,280
Fees and charges	340,713	336,621	(4,092)	274,387
U.G. and temporary service charges	4,000	3,900	(100)	2,900
Miscellaneous	96,015	97,450	1,435	96,915
Total operating revenues	<u>18,137,995</u>	<u>18,230,032</u>	<u>92,037</u>	<u>17,127,482</u>
Non-Operating Revenues:				
Interest on investments	47,691	51,616	3,925	42,867
Miscellaneous	147,117	162,296	15,179	169,212
Total non-operating revenues	<u>194,808</u>	<u>213,912</u>	<u>19,104</u>	<u>212,079</u>
Total revenues	<u>18,332,803</u>	<u>18,443,944</u>	<u>111,141</u>	<u>17,339,561</u>
Expenditures:				
Maintenance and repairs		1,293,547		1,256,544
Other operating expenses		9,977,890		10,212,893
Capital outlay		761,075		867,400
Debt service		3,779,719		3,980,024
Total expenditures	<u>17,045,523</u>	<u>15,812,231</u>	<u>1,233,292</u>	<u>16,316,861</u>
Excess of revenues over (under) expenditures	<u>1,287,280</u>	<u>2,631,713</u>	<u>1,344,433</u>	<u>1,022,700</u>
Other Financing Sources (Uses):				
Revenue bonds issued	112,720	158,228	45,508	-
Intra-fund transfers	(1,400,000)	(1,900,000)	(500,000)	(300,000)
Total other financing sources (uses)	<u>(1,287,280)</u>	<u>(1,741,772)</u>	<u>(454,492)</u>	<u>(300,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 889,941</u>	<u>\$ 889,941</u>	<u>\$ 722,700</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 889,941		\$ 722,700
Budgetary appropriations – capital		761,075		867,400
Budgetary appropriations – debt principal		2,668,804		2,910,306
Depreciation		(3,962,590)		(3,892,751)
Debt issued		(158,228)		-
Amortization of bond premium and discount		56,831		62,695
Amortization of deferred loss on refundings		(63,948)		(70,872)
Capitalization of bond interest		3,557		-
Intra-fund transfers		1,900,000		300,000
Changes in accrued interest payable		73,190		35,403
Changes in unrealized gains/losses on investments		453		(664)
Changes in OPEB liability		(127,887)		(115,010)
Changes in net pension asset		(489,601)		489,601
Changes in deferred outflows for pensions		47,095		22,454
Changes in net pension liability		(413,619)		999,793
Changes in deferred inflows for pensions		978,297		(1,193,278)
Revenue recognized in capital projects		196,145		170,831
Total reconciling items		<u>1,469,574</u>		<u>585,908</u>
Changes in net position		<u>\$ 2,359,515</u>		<u>\$ 1,308,608</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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 20,377,940	\$ 20,835,158	\$ 457,218	\$ 18,896,038
Fees and charges	334,822	337,938	3,116	280,526
Miscellaneous	100,159	105,693	5,534	111,569
Total operating revenues	<u>20,812,921</u>	<u>21,278,789</u>	<u>465,868</u>	<u>19,288,133</u>
Non-Operating Revenues:				
Interest on investments	32,409	34,585	2,176	31,999
Miscellaneous	<u>39,225</u>	<u>82,481</u>	<u>43,256</u>	<u>50,805</u>
Total non-operating revenues	<u>71,634</u>	<u>117,066</u>	<u>45,432</u>	<u>82,804</u>
Total revenues	<u>20,884,555</u>	<u>21,395,855</u>	<u>511,300</u>	<u>19,370,937</u>
Expenditures:				
Sewer Fund:				
Maintenance and repairs		1,580,606		1,389,641
Other operating expenses		9,777,806		9,878,639
Capital outlay		774,018		988,308
Debt service		6,473,115		6,367,411
Total expenditures	<u>19,830,038</u>	<u>18,605,545</u>	<u>1,224,493</u>	<u>18,623,999</u>
Excess of revenues over (under) expenditures	<u>1,054,517</u>	<u>2,790,310</u>	<u>1,735,793</u>	<u>746,938</u>
Other Financing Sources (Uses):				
Revenue bonds issued	145,483	206,761	61,278	-
Intra-fund transfers	(4,200,000)	(4,700,000)	(500,000)	(300,000)
Appropriated fund balance	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,054,517)</u>	<u>(4,493,239)</u>	<u>(3,438,722)</u>	<u>(300,000)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,702,929)</u>	<u>\$ (1,702,929)</u>	<u>\$ 446,938</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over (under) expenditures		<u>\$ (1,702,929)</u>		<u>\$ 446,938</u>
Budgetary appropriations – capital		774,018		988,308
Budgetary appropriations – debt principal		4,526,960		4,646,312
Depreciation		(5,028,068)		(4,863,901)
Debt issued		(206,761)		-
Amortization of bond premium and discount		28,620		28,620
Amortization of deferred loss on refundings		(42,324)		(42,324)
Capitalization of bond interest		7,697		-
Changes in accrued interest payable		88,290		8,988
Changes in unrealized gains/losses on investments		664		(730)
Intra-fund transfers		4,700,000		300,000
Changes in OPEB liability		(127,556)		(112,806)
Changes in net pension asset		(466,593)		466,593
Changes in deferred outflows for pensions		45,523		21,398
Changes in net pension liability		(394,818)		952,809
Changes in deferred inflows for pensions		931,992		(1,137,201)
Revenue recognized in capital projects		<u>213,936</u>		<u>222,690</u>
Total reconciling items		<u>5,051,580</u>		<u>1,478,756</u>
Changes in net position		<u>\$ 3,348,651</u>		<u>\$ 1,925,694</u>

CITY OF GREENVILLE, NORTH CAROLINA

GAS OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Positive/ Negative	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 32,893,100	\$ 27,221,435	\$ (5,671,665)	\$ 36,342,568
Fees and charges	139,365	129,310	(10,055)	139,335
Miscellaneous	96,568	182,283	85,715	96,432
Total operating revenues	<u>33,129,033</u>	<u>27,533,028</u>	<u>(5,596,005)</u>	<u>36,578,335</u>
Non-Operating Revenues:				
Interest on investments	80,712	69,295	(11,417)	74,173
Miscellaneous	52,088	150,685	98,597	109,851
Total non-operating revenues	<u>132,800</u>	<u>219,980</u>	<u>87,180</u>	<u>184,024</u>
Total revenues	<u>33,261,833</u>	<u>27,753,008</u>	<u>(5,508,825)</u>	<u>36,762,359</u>
Expenditures:				
Gas Fund:				
Maintenance and repairs		181,754		548,509
Other operating expenses		25,137,377		30,760,014
Capital outlay		1,093,207		1,417,650
Debt service		1,449,843		1,391,034
Total expenditures	<u>33,373,591</u>	<u>27,862,181</u>	<u>5,511,410</u>	<u>34,117,207</u>
Excess of revenues over (under) expenditures	<u>(111,758)</u>	<u>(109,173)</u>	<u>2,585</u>	<u>2,645,152</u>
Other Financing Sources (Uses):				
Revenue bonds issued	111,758	119,302	7,544	-
Contributed capital	-	-	-	1,800
Intrafund transfers	(6,250,000)	(6,250,000)	-	(1,500,000)
Appropriated fund balance	6,250,000	-	(6,250,000)	-
Total other financing sources (uses)	<u>111,758</u>	<u>(6,130,698)</u>	<u>(6,242,456)</u>	<u>(1,498,200)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (6,239,871)</u>	<u>\$ (6,239,871)</u>	<u>\$ 1,146,952</u>
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		<u>\$ (6,239,871)</u>		<u>\$ 1,146,952</u>
Budgetary appropriations – capital		1,093,207		1,417,650
Budgetary appropriations – debt principal		1,127,174		1,174,310
Depreciation		(1,692,607)		(1,705,787)
Debt issued		(119,302)		-
Amortization of bond premium and discount		7,351		7,351
Capitalization of bond interest		17,645		-
Amortization of deferred loss on refundings		(34,713)		(34,713)
Changes in accrued interest payable		(3,710)		9,777
Changes in unrealized gains/losses on investments		1,707		(5,233)
Intrafund transfers		6,250,000		1,500,000
Changes in OPEB liability		(114,319)		(99,661)
Changes in net pension asset		(413,002)		413,002
Changes in deferred outflows for pensions		(8,649)		18,941
Changes in net pension liability		(300,814)		843,373
Changes in deferred inflows for pensions		850,238		(1,006,587)
Revenue recognized in capital projects		(758)		13,201
Total reconciling items		<u>6,659,448</u>		<u>2,545,624</u>
Changes in net position		<u>\$ 419,577</u>		<u>\$ 3,692,576</u>

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

Schedule F-5

JUNE 30, 2016

	<u>Public Transportation Fund</u>	<u>Stormwater Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 200,341	\$ 3,556,875	\$ 1,293,291	\$ 5,050,507
Accounts receivable, net	487,611	755,871	1,108,972	2,352,454
Due from other governments	375,409	-	-	375,409
Prepaid items	350	-	18,615	18,965
Restricted cash, cash equivalents, and investments	-	-	433,164	433,164
Total current assets	<u>1,063,711</u>	<u>4,312,746</u>	<u>2,854,042</u>	<u>8,230,499</u>
Non-Current Assets:				
Land and construction in progress	400,438	1,759,980	-	2,160,418
Other capital assets, net of depreciation	<u>1,158,694</u>	<u>7,781,220</u>	-	<u>8,939,914</u>
Total non-current assets	<u>1,559,132</u>	<u>9,541,200</u>	-	<u>11,100,332</u>
Total assets	<u>2,622,843</u>	<u>13,853,946</u>	<u>2,854,042</u>	<u>19,330,831</u>
Deferred outflows of resources	<u>51,467</u>	<u>136,479</u>	<u>128,667</u>	<u>316,613</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	81,248	90,179	301,810	473,237
Due to other funds	-	1,027,753	-	1,027,753
Due to other governments	-	98,759	-	98,759
Current portion of compensated absences	22,073	-	127,140	149,213
Current maturities of long-term debt	-	344,162	157,142	501,304
Total current liabilities	<u>103,321</u>	<u>1,560,853</u>	<u>586,092</u>	<u>2,250,266</u>
Non-Current Liabilities:				
Net pension liability	63,718	63,717	159,294	286,729
Non-current portion of compensated absences	9,460	-	54,488	63,948
Non-current portion of other post-employment benefits	391,457	432,663	1,071,356	1,895,476
Non-current portion of long-term debt	-	3,493,528	801,430	4,294,958
Total non-current liabilities	<u>464,635</u>	<u>3,989,908</u>	<u>2,086,568</u>	<u>6,541,111</u>
Total liabilities	<u>567,956</u>	<u>5,550,761</u>	<u>2,672,660</u>	<u>8,791,377</u>
Deferred inflow of resources	<u>46,226</u>	<u>46,227</u>	<u>115,567</u>	<u>208,020</u>
Net Position:				
Net investment in capital assets	1,559,132	5,788,522	-	7,347,654
Unrestricted	<u>500,996</u>	<u>2,604,915</u>	<u>194,482</u>	<u>3,300,393</u>
Total net position	<u>\$ 2,060,128</u>	<u>\$ 8,393,437</u>	<u>\$ 194,482</u>	<u>\$ 10,648,047</u>

NONMAJOR ENTERPRISE FUNDS

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

YEAR ENDED JUNE 30, 2016

	Public Transportation Fund	Stormwater Utility Fund	Sanitation Fund	Total
Operating Revenues:				
Changes for services	\$ 281,057	\$ 4,904,736	\$ 7,374,479	\$ 12,560,272
Other operating revenues	2,759	-	85,453	88,212
Total operating revenue	<u>283,816</u>	<u>4,904,736</u>	<u>7,459,932</u>	<u>12,648,484</u>
Operating Expenses:				
Administrative and general	124,998	-	-	124,998
Operations and maintenance	1,787,777	2,242,980	6,090,434	10,121,191
Depreciation and amortization	217,010	152,755	-	369,765
Total operating expenses	<u>2,129,785</u>	<u>2,395,735</u>	<u>6,090,434</u>	<u>10,615,954</u>
Operating income (loss)	<u>(1,845,969)</u>	<u>2,509,001</u>	<u>1,369,498</u>	<u>2,032,530</u>
Non-Operating Revenues (Expenses):				
Investment earnings	-	-	76	76
Loss on disposal of capital assets	-	(6,604)	-	(6,604)
Bond issuance costs	-	(31,147)	-	(31,147)
Interest expense	-	(92,371)	(24,443)	(116,814)
Total non-operating revenue (expenses)	<u>-</u>	<u>(130,122)</u>	<u>(24,367)</u>	<u>(154,489)</u>
Income (Loss) Before Contributions and Transfers	<u>(1,845,969)</u>	<u>2,378,879</u>	<u>1,345,131</u>	<u>1,878,041</u>
Transfers In (Out) and Capital Contributions:				
Capital contributions	1,642,200	479,059	-	2,121,259
Transfers to other funds	-	-	(58,942)	(58,942)
Transfers from other funds	712,963	479	-	713,442
Total transfers in (out) and capital contributions:	<u>2,355,163</u>	<u>479,538</u>	<u>(58,942)</u>	<u>2,775,759</u>
Change in net position	<u>509,194</u>	<u>2,858,417</u>	<u>1,286,189</u>	<u>4,653,800</u>
Net position, beginning of year – July 1, previously reported	1,557,645	5,266,603	(1,091,588)	5,732,660
Restatement	(6,711)	268,417	(119)	261,587
Net position, beginning of year – July 1, as restated	<u>1,550,934</u>	<u>5,535,020</u>	<u>(1,091,707)</u>	<u>5,994,247</u>
Net position, end of year – June 30	<u>\$ 2,060,128</u>	<u>\$ 8,393,437</u>	<u>\$ 194,482</u>	<u>\$ 10,648,047</u>

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

Schedule F-7

YEAR ENDED JUNE 30, 2016

	Public Transportation Fund	Stormwater Utility Fund	Sanitation Fund	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$ (196,101)	\$ 4,806,064	\$ 7,516,287	\$ 12,126,250
Cash paid to vendors	(635,532)	(920,155)	(3,106,110)	(4,661,797)
Cash paid to employees	(1,241,105)	(1,334,828)	(2,996,754)	(5,572,687)
Net cash provided (used) by operating activities	<u>(2,072,738)</u>	<u>2,551,081</u>	<u>1,413,423</u>	<u>1,891,766</u>
Cash From Non-Capital Financing Activities:				
Repayment of principal of long-term debt	-	-	(96,428)	(96,428)
Proceeds from issuance of debt	-	-	425,000	425,000
Repayments to/from other funds	-	1,027,753	-	1,027,753
Transfers from other funds	712,963	479	-	713,442
Transfers to other funds	-	-	(58,942)	(58,942)
Net cash provided (used) by non-capital financing activities	<u>712,963</u>	<u>1,028,232</u>	<u>269,630</u>	<u>2,010,825</u>
Cash From Capital and Related Financing Activities:				
Repayment of principal of long-term debt	-	(175,300)	-	(175,300)
Proceeds from issuance of debt	-	-	-	-
Interest and other financing costs	-	(208,530)	(24,443)	(232,973)
Capital contributions	1,266,791	91,819	-	1,358,610
Acquisition and construction of capital assets	(400,438)	(1,687,720)	-	(2,088,158)
Net cash provided (used) by capital and related financing activities	<u>866,353</u>	<u>(1,979,731)</u>	<u>(24,443)</u>	<u>(1,137,821)</u>
Cash From Investing Activities:				
Interest received on investments	-	-	76	76
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
Net increase (decrease) in cash and cash equivalents	(493,422)	1,599,582	1,658,686	2,764,846
Cash and Cash Equivalents:				
Beginning of year – July 1	693,763	1,957,293	67,769	2,718,825
End of year – June 30	<u>\$ 200,341</u>	<u>\$ 3,556,875</u>	<u>\$ 1,726,455</u>	<u>\$ 5,483,671</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(1,845,969)	2,509,001	1,369,498	2,032,530
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	217,010	152,755	-	369,765
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(479,917)	(98,672)	56,355	(522,234)
Decrease in pension asset	87,104	130,657	217,761	435,522
(Increase) decrease in deferred outflow of resources - pensions	2,230	29,078	5,575	36,883
Increase in prepaids	-	-	(6,615)	(6,615)
Increase in net pension liability	63,718	63,717	159,294	286,729
Decrease in deferred inflows of resources - pensions	(172,396)	(281,707)	(430,989)	(885,092)
Increase in due to other governments	-	98,759	-	98,759
Increase (decrease) in accounts payable	24,021	(72,131)	7,471	(40,639)
Increase (decrease) in compensated absences payable	(5,962)	-	6,149	187
Increase in OPEB liability	37,423	19,624	28,924	85,971
Net cash provided (used) by operating activities	<u>\$ (2,072,738)</u>	<u>\$ 2,551,081</u>	<u>\$ 1,413,423</u>	<u>\$ 1,891,766</u>
Non-Cash Investing, Capital, and Financing Activities:				
Refunded bonds and loss on refunding	\$ -	\$ 3,904,002	\$ -	\$ 3,904,002
Capital contribution	-	387,240	-	387,240
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 4,291,242</u>	<u>\$ -</u>	<u>\$ 4,291,242</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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Positive/ Negative	Actual
Revenues:				
Charges for services	\$ 374,800	\$ 281,057	\$ (93,743)	\$ 319,129
Public transportation planning and operating grants	1,937,379	1,642,200	(295,179)	3,043,669
Other operating revenues	1,912	2,759	847	83,067
Total operating revenue	<u>2,314,091</u>	<u>1,926,016</u>	<u>(388,075)</u>	<u>3,445,865</u>
Expenditures:				
Administrative and general	158,292	124,998	(33,294)	60,869
Operations and maintenance	776,521	637,853	(138,668)	736,987
Salaries and benefits	1,231,900	1,253,222	21,322	1,114,361
Capital outlay	846,640	347,945	(498,695)	2,071,804
Total operating expenses	<u>3,013,353</u>	<u>2,364,018</u>	<u>649,335</u>	<u>3,984,021</u>
Revenues under expenditures	<u>(699,262)</u>	<u>(438,002)</u>	<u>261,260</u>	<u>(538,156)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	99,982	-	(99,982)	-
Transfers from General Fund	599,280	712,963	113,683	711,443
Total other financing sources (uses)	<u>699,262</u>	<u>712,963</u>	<u>13,701</u>	<u>711,443</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>274,961</u>	<u>\$ 274,961</u>	<u>173,287</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(217,010)		(305,234)
Loss on disposal of capital assets		-		(939)
Capital outlay		400,438		800,179
Decrease in net pension asset		(87,104)		(3,876)
Increase in deferred outflows of resources - pensions		(2,230)		-
Increase in net pension liability		(63,718)		-
Decrease in deferred inflows of resources - pensions		172,396		53,697
Change in OPEB liability		37,423		40,561
Change in accrued compensated absences		(5,962)		(6,018)
Change in net position		<u>\$ 509,194</u>		<u>\$ 751,657</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, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 4,905,758	\$ 4,904,736	\$ (1,022)	\$ 4,354,309
Total operating revenues	<u>4,905,758</u>	<u>4,904,736</u>	<u>(1,022)</u>	<u>4,354,309</u>
Expenditures:				
Operations and maintenance	2,042,859	504,302	(1,538,557)	432,004
Salaries and benefits	1,402,485	1,296,197	(106,288)	1,261,563
Capital outlay	1,012,802	171,401	(841,401)	116,439
Retirement of long-term debt	-	175,300	175,300	194,534
Interest paid	366,960	92,371	(274,589)	184,257
Indirect cost reimbursement	406,056	406,056	-	406,056
Total operating expenses	<u>5,231,162</u>	<u>2,645,627</u>	<u>2,585,535</u>	<u>2,594,853</u>
Revenues over (under) expenditures	<u>(325,404)</u>	<u>2,259,109</u>	<u>2,584,513</u>	<u>1,759,456</u>
Other Financing Sources (Uses):				
Capital contributions	-	387,240	387,240	167,930
Bond issuance costs	-	(31,147)	(31,147)	-
Transfer to other funds	-	-	-	(257,515)
Transfers from other funds	479	479	-	-
Appropriated fund balance	<u>324,925</u>	<u>-</u>	<u>(324,925)</u>	<u>-</u>
Total other financing sources (uses)	<u>325,404</u>	<u>356,572</u>	<u>31,168</u>	<u>(89,585)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>2,615,681</u>	<u>\$ 2,615,681</u>	<u>1,669,871</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(152,755)		(127,641)
Loss on disposal of capital assets		(6,604)		(88,655)
Transfer to capital projects		-		247,515
Decrease in net pension asset		(130,657)		(5,813)
Increase in deferred outflows of resources - pensions		(29,078)		80,545
Increase in net pension liability		(63,717)		-
Decrease in deferred inflows of resources - pensions		281,707		-
Capital contributions - capital project funds grant revenue		91,819		87,928
Non-capitalizable expense from capital projects		-		(3,307,055)
Capital outlay		57,097		139,090
Change in OPEB liability		19,624		(126,831)
Payment of debt principal		175,300		194,534
Change in net position		<u>\$ 2,858,417</u>		<u>\$ (1,236,512)</u>

ENTERPRISE CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Interest earnings	\$ -	\$ 156	\$ -	\$ -	\$ 156
Total miscellaneous	-	156	-	-	156
Total revenues	-	156	-	-	156
Expenditures:					
Current:					
Stormwater:					
Stormwater Drainage Maintenance	199,828	124,611	-	-	124,611
Watershed	3,643,005	2,615,327	-	900,099	3,515,426
Town Creek Culvert	16,707,671	1,117,414	-	730,524	1,847,938
Total expenditures	20,550,504	3,857,352	-	1,630,623	5,487,975
Revenues under expenditures	(20,550,504)	(3,857,196)	-	(1,630,623)	(5,487,819)
Other Financing Sources (Uses):					
Capital Contributions	195,490	87,928	-	91,819	179,747
State revolving loan	13,340,571	-	-	1,374,396	1,374,396
Transfer from other funds	8,095,615	5,154,184	-	-	5,154,184
Transfer to other funds	(1,081,172)	(1,081,172)	-	-	(1,081,172)
Total other financing sources (uses)	20,550,504	4,160,940	-	1,466,215	5,627,155
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ 303,744	\$ -	\$ (164,408)	\$ 139,336

SANITATION FUND – NONMAJOR ENTERPRISE FUNDS

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

YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2015

	2016		Variance Positive/ Negative	2015
	Budget	Actual		Actual
Operating Revenues:				
Charges for services	\$ 7,261,078	\$ 7,374,479	\$ 113,401	\$ 7,111,323
Grant revenue	12,000	-	(12,000)	7,500
Investment earnings	-	76	76	-
Other revenue	198,500	85,453	(113,047)	92,912
Total operating revenues	<u>7,471,578</u>	<u>7,460,008</u>	<u>(11,570)</u>	<u>7,211,735</u>
Operating Expenditures:				
Operations and maintenance	2,952,066	2,001,840	(950,226)	2,377,775
Salaries and benefits	3,190,626	2,983,468	(207,158)	3,178,689
Capital outlay	727,500	326,401	(401,099)	608,034
Interest paid	-	24,443	24,443	12,991
Indirect cost reimbursement	862,157	862,157	-	862,157
Total operating expenses	<u>7,732,349</u>	<u>6,198,309</u>	<u>(1,534,040)</u>	<u>7,039,646</u>
Revenues over (under) expenditures	<u>(260,771)</u>	<u>1,261,699</u>	<u>1,522,470</u>	<u>172,089</u>
Other Financing Sources (Uses):				
Appropriated fund balance	-	-	-	-
Loss on disposal of capital assets	-	-	-	-
Long-term debt issued	425,000	425,000	-	360,000
Payment of debt principal	-	(96,428)	(96,428)	(45,000)
Transfers from other funds	-	-	-	-
Transfers to other funds	(164,229)	(58,942)	105,287	-
Total other financing sources	<u>260,771</u>	<u>269,630</u>	<u>8,859</u>	<u>315,000</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>1,531,329</u>	<u>\$ 1,531,329</u>	<u>487,089</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Loss on disposal of capital assets		-		(144,892)
Decrease in net pension asset		(217,761)		(9,689)
Increase in deferred outflows of resources - pensions		(5,575)		134,242
Increase in net pension liability		(159,294)		-
Decrease in deferred inflows of resources - pensions		430,989		-
Installment note proceeds		(425,000)		(360,000)
Payment of debt principal		96,428		45,000
Change in accrued compensation absences		6,149		16,999
Change in OPEB liability		28,924		102,014
Change in net position		<u>\$ 1,286,189</u>		<u>\$ 270,763</u>



FY 2016 Comprehensive Annual Financial Report

INTERNAL SERVICE FUNDS

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, 2016

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Assets:					
Current Assets:					
Cash, cash equivalents, and investments	\$ 4,158,720	\$ -	\$ 81,056	\$ 1,976,258	\$ 6,216,034
Accounts receivable	-	73,445	539	-	73,984
Due from other funds	-	2,456	333	-	2,789
Prepaid items	-	-	160,730	-	160,730
Due from other governments	-	943	321,156	4,033	326,132
Restricted cash, cash equivalents, and investments	-	5,593,110	-	-	5,593,110
Total current assets	<u>4,158,720</u>	<u>5,669,954</u>	<u>563,814</u>	<u>1,980,291</u>	<u>12,372,779</u>
Non-Current Assets:					
Construction in process	-	-	-	504,416	504,416
Other capital assets, net	9,269,349	-	-	614,283	9,883,632
Total assets	<u>13,428,069</u>	<u>5,669,954</u>	<u>563,814</u>	<u>3,098,990</u>	<u>22,760,827</u>
Deferred outflows of resources	-	-	51,467	-	51,467
Liabilities:					
Current Liabilities:					
Accounts payable	564,228	1,745,437	141,297	185,945	2,636,907
Due to other funds	-	-	1,428,210	-	1,428,210
Total current liabilities	<u>564,228</u>	<u>1,745,437</u>	<u>1,569,507</u>	<u>185,945</u>	<u>4,065,117</u>
Noncurrent Liabilities:					
Net Pension Liability	-	-	63,718	-	63,718
Total liabilities	<u>564,228</u>	<u>1,745,437</u>	<u>1,633,225</u>	<u>185,945</u>	<u>4,128,835</u>
Deferred inflow of resources	-	-	46,226	-	46,226
Net Position:					
Net investment in capital assets	9,269,349	-	-	1,118,699	10,388,048
Unrestricted	3,594,492	3,924,517	(1,064,170)	1,794,346	8,249,185
Total net position	<u>\$ 12,863,841</u>	<u>\$ 3,924,517</u>	<u>\$ (1,064,170)</u>	<u>\$ 2,913,045</u>	<u>\$ 18,637,233</u>

INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2016

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Operating Revenues:					
Charges for services	\$ 2,098,112	\$ 12,233,779	\$ 4,058,799	\$ -	\$ 18,390,690
Other operating revenues	63,820	-	-	-	63,820
Total operating revenues	<u>2,161,932</u>	<u>12,233,779</u>	<u>4,058,799</u>	<u>-</u>	<u>18,454,510</u>
Operating Expenses:					
Administration	-	867,435	-	-	867,435
Operations and maintenance	836,459	-	2,592,435	136,244	3,565,138
Capital outlay	-	-	-	-	-
Salaries and benefits	-	-	1,337,491	-	1,337,491
Depreciation	1,782,721	-	-	40,734	1,823,455
Claims and payments to third party administrators	-	11,306,721	-	-	11,306,721
Total operating expenses	<u>2,619,180</u>	<u>12,174,156</u>	<u>3,929,926</u>	<u>176,978</u>	<u>18,900,240</u>
Operating Income (Loss) before Contributions and Transfers	<u>(457,248)</u>	<u>59,623</u>	<u>128,873</u>	<u>(176,978)</u>	<u>(445,730)</u>
Transfers In (Out) and Capital Contributions:					
Transfers to other funds	-	-	(8,487)	-	(8,487)
Transfers from other funds	-	-	-	1,579,180	1,579,180
Total transfers in (out) and capital contributions	<u>-</u>	<u>-</u>	<u>(8,487)</u>	<u>1,579,180</u>	<u>1,570,693</u>
Change in net position	<u>(457,248)</u>	<u>59,623</u>	<u>120,386</u>	<u>1,402,202</u>	<u>1,124,963</u>
Net Position:					
Beginning of year – July 1	13,465,714	3,864,894	(1,184,556)	1,525,216	17,671,268
Restatement	(144,625)	-	-	(14,373)	(158,998)
Beginning of year – restated	<u>13,321,089</u>	<u>3,864,894</u>	<u>(1,184,556)</u>	<u>1,510,843</u>	<u>17,512,270</u>
End of year – June 30	<u>\$ 12,863,841</u>	<u>\$ 3,924,517</u>	<u>\$ (1,064,170)</u>	<u>\$ 2,913,045</u>	<u>\$ 18,637,233</u>

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

Schedule G-3

YEAR ENDED JUNE 30, 2016

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Cash Flows From Operating Activities:					
Cash received from customers	\$ 2,189,826	\$ 12,303,160	\$ 4,400,639	\$ -	\$ 18,893,625
Cash paid to vendors	(836,459)	(12,173,926)	(2,512,938)	(136,244)	(15,659,567)
Cash paid to employees	-	-	(1,376,179)	-	(1,376,179)
Net cash provided (used) by operating activities	<u>1,353,367</u>	<u>129,234</u>	<u>511,522</u>	<u>(136,244)</u>	<u>1,857,879</u>
Cash Flows From Non-Capital Financing Activities:					
Transfers from other funds	-	-	-	1,579,180	1,579,180
Transfers to other funds	-	-	(8,487)	-	(8,487)
Repayments to other funds	-	(207,723)	(421,979)	-	(629,702)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(207,723)</u>	<u>(430,466)</u>	<u>1,579,180</u>	<u>940,991</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(3,483,688)	-	-	(399,548)	(3,883,236)
Net cash used by capital and related financing activities	<u>(3,483,688)</u>	<u>-</u>	<u>-</u>	<u>(399,548)</u>	<u>(3,883,236)</u>
Net increase in cash and cash equivalents	(2,130,321)	(78,489)	81,056	1,043,388	(1,084,366)
Cash and Cash Equivalents					
Beginning of year – July 1	<u>6,289,041</u>	<u>5,671,599</u>	<u>-</u>	<u>932,870</u>	<u>12,893,510</u>
End of year – June 30	<u>\$ 4,158,720</u>	<u>\$ 5,593,110</u>	<u>\$ 81,056</u>	<u>\$ 1,976,258</u>	<u>\$ 11,809,144</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (457,248)	\$ 59,623	\$ 128,873	\$ (176,978)	\$ (445,730)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,782,721	-	-	40,734	1,823,455
Change in assets and liabilities:					
Decrease in accounts receivable	-	69,381	341,840	-	411,221
Decrease in pension asset	-	-	87,104	-	87,104
Decrease in deferred outflow of resources - pensions	-	-	2,230	-	2,230
Increase in prepaids	-	-	(12,599)	-	(12,599)
Decrease in net pension liability	-	-	63,718	-	63,718
Decrease in deferred inflows of resources - pensions	-	-	(172,396)	-	(172,396)
Increase in accounts payable	27,894	230	72,752	-	100,876
Net cash provided (used) by operating activities	<u>\$ 1,353,367</u>	<u>\$ 129,234</u>	<u>\$ 511,522</u>	<u>\$ (136,244)</u>	<u>\$ 1,857,879</u>
Non-Cash Investing, Capital, and Financing Activities:					
Purchase of capital assets in accounts payable	\$ -	\$ -	\$ -	\$ 41,706	\$ 41,706
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,706</u>	<u>\$ 41,706</u>

CITY OF GREENVILLE, NORTH CAROLINA

Schedule G-4

VEHICLE REPLACEMENT – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 2,807,071	\$ 2,098,112	\$ (708,959)
Other operating revenues	-	63,820	63,820
Total operating revenues	<u>2,807,071</u>	<u>2,161,932</u>	<u>(645,139)</u>
Operating Expenditures:			
Capital outlay	<u>5,662,104</u>	<u>4,320,146</u>	<u>1,341,958</u>
Total operating expenditures			
Revenues over (under) expenditures	<u>(2,855,033)</u>	<u>(2,158,214)</u>	<u>696,819</u>
Other Financing Sources (Uses):			
Fund balance appropriated	<u>2,855,033</u>	-	<u>(2,855,033)</u>
Total other financing sources (uses)	<u>2,855,033</u>	-	<u>(2,855,033)</u>
Revenues and other financing sources under expenditures and other financing uses	<u>\$ -</u>	<u>(2,158,214)</u>	<u>\$ (2,158,214)</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		(1,782,721)	
Capital outlay		<u>3,483,687</u>	
Change in net position		<u>\$ (457,248)</u>	

CITY OF GREENVILLE, NORTH CAROLINA

HEALTH INSURANCE – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 13,323,763	\$ 12,233,779	\$ (1,089,984)
Total operating revenues	<u>13,323,763</u>	<u>12,233,779</u>	<u>(1,089,984)</u>
Operating Expenditures:			
Administration	913,037	867,435	(45,602)
Payment to third party administrator	<u>13,124,403</u>	<u>11,306,721</u>	<u>(1,817,682)</u>
Total operating expenditures	<u>14,037,440</u>	<u>12,174,156</u>	<u>(1,863,284)</u>
Revenues over (under) expenditures	<u>(713,677)</u>	<u>59,623</u>	<u>773,300</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>713,677</u>	-	<u>(713,677)</u>
Total other financing sources (uses)	<u>713,677</u>	<u>-</u>	<u>(713,677)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>59,623</u>	<u>\$ 59,623</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Change in net position		<u>\$ 59,623</u>	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule G-6

FLEET MAINTENANCE – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 4,457,387	\$ 4,058,799	\$ (398,588)
Total operating revenues	<u>4,457,387</u>	<u>4,058,799</u>	<u>(398,588)</u>
Operating Expenditures:			
Salaries and benefits	1,395,325	1,356,835	(38,490)
Operating and maintenance	<u>3,123,471</u>	<u>2,592,435</u>	<u>(531,036)</u>
Total operating expenditures	<u>4,518,796</u>	<u>3,949,270</u>	<u>(569,526)</u>
Revenues over (under) expenditures	<u>(61,409)</u>	<u>109,529</u>	<u>170,938</u>
Other Financing Sources (Uses):			
Appropriated fund balance	69,896	-	(69,896)
Transfer to other funds	<u>(8,487)</u>	<u>(8,487)</u>	<u>-</u>
Total other financing sources (uses)	<u>61,409</u>	<u>(8,487)</u>	<u>(69,896)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>101,042</u>	<u>\$ 101,042</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Decrease in net pension asset		(87,104)	
Increase in deferred outflows of resources - pensions		(2,230)	
Increase in net pension liability		(63,718)	
Decrease in deferred inflows of resources - pensions		<u>172,396</u>	
Change in net position		<u>\$ 120,386</u>	

FACILITIES IMPROVEMENT – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2016

	Financial Plan	Actual	Variance Positive/ Negative
Operating Revenues:			
Charges for services	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenditures:			
Capital outlay	2,542,933	577,498	(1,965,435)
Total operating expenditures	<u>2,542,933</u>	<u>577,498</u>	<u>1,965,435</u>
Revenues over (under) expenditures	<u>(2,542,933)</u>	<u>(577,498)</u>	<u>1,965,435</u>
Other Financing Sources (Uses):			
Appropriated fund balance	225,303	-	(225,303)
Transfers from other funds	<u>2,317,630</u>	<u>1,579,180</u>	<u>(738,450)</u>
Total other financing sources (uses)	<u>2,542,933</u>	<u>1,579,180</u>	<u>(963,753)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	1,001,682	<u>\$ 1,001,682</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		(40,734)	
Capital outlay		<u>441,254</u>	
Change in net position		<u>\$ 1,402,202</u>	



FY 2016 Comprehensive Annual Financial Report
STATISTICAL SECTION

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 81,844	\$ 89,239	\$ 98,830	\$ 119,789	\$ 132,450	\$ 136,640	\$ 140,382	\$ 144,769	\$ 154,684	\$ 157,082
Restricted	-	-	-	2,927	-	-	-	-	-	-
Stabilization of State Statute	-	-	-	-	7,331	8,998	7,590	8,228	13,594	8,322
Restricted for Streets	1,572	2,889	2,053	-	-	-	2,629	2,296	2,236	1,717
General Government	-	-	-	-	-	-	-	84	76	105
Economic Development	-	-	-	-	-	-	-	-	56	4,177
Transportation	-	-	-	-	2,540	1,838	-	-	-	-
Public Safety	-	-	-	-	-	-	560	706	821	858
Cultural and Recreational	-	-	-	-	-	-	101	102	102	117
Debt Service	-	-	-	-	-	-	-	-	-	109
Other	-	-	-	-	819	6,175	-	-	-	-
Unrestricted	49,998	42,823	44,182	30,243	24,196	18,142	36,640	36,849	23,638	29,134
Total Governmental activities net position	\$ 133,414	\$ 134,951	\$ 145,065	\$ 152,959	\$ 167,336	\$ 171,793	\$ 187,902	\$ 193,034	\$ 195,207	\$ 201,621
Business-type activities										
Net investment in capital assets	\$ 219,968	\$ 229,538	\$ 235,068	\$ 241,246	\$ 239,156	\$ 242,482	\$ 251,120	\$ 258,006	\$ 277,248	\$ 271,672
Unrestricted	61,850	64,285	63,578	68,260	79,687	81,410	81,243	80,345	70,155	105,497
Total business-type activities net assets	\$ 281,818	\$ 293,823	\$ 298,646	\$ 309,506	\$ 318,843	\$ 323,892	\$ 332,363	\$ 338,351	\$ 347,403	\$ 377,169
Primary government										
Net investment in capital assets	\$ 301,812	\$ 318,777	\$ 333,898	\$ 361,035	\$ 371,606	\$ 379,122	\$ 391,502	\$ 402,775	\$ 431,932	\$ 428,754
Restricted	-	-	-	2,927	-	-	-	-	-	-
Stabilization of State Statute	-	-	-	-	7,331	8,998	7,590	8,228	13,594	8,322
Restricted for Streets	1,572	2,889	2,053	-	-	-	2,629	2,296	2,236	1,717
General Government	-	-	-	-	-	-	-	84	76	105
Economic Development	-	-	-	-	-	-	-	-	56	4,177
Transportation	-	-	-	-	2,540	1,838	-	-	-	-
Public Safety	-	-	-	-	-	-	560	706	821	858
Cultural and Recreational	-	-	-	-	-	-	101	102	102	117
Debt Service	-	-	-	-	-	-	-	-	-	110
Other	-	-	-	-	819	6,175	-	-	-	-
Unrestricted	111,848	107,108	107,760	98,503	103,883	99,552	117,883	117,194	93,793	134,631
Total primary government net position	\$ 415,232	\$ 428,774	\$ 443,711	\$ 462,465	\$ 486,179	\$ 495,685	\$ 520,265	\$ 531,385	\$ 542,610	\$ 578,791

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 18,144	\$ 16,290	\$ 12,826	\$ 10,721	\$ 10,172	\$ 10,480	\$ 21,603	\$ 19,960	\$ 25,011	\$ 28,647
Public safety	28,366	29,719	32,621	37,866	36,159	39,385	29,712	28,939	26,262	26,907
Transportation	3,190	9,703	8,253	11,994	9,344	10,326	7,593	7,462	5,939	7,172
Environmental protection	4,295	4,366	1,068	-	-	-	-	-	-	-
Economic and physical development	3,528	5,139	6,006	5,199	4,625	6,065	14,501	13,497	10,781	11,081
Culture and recreation	4,926	6,690	10,360	11,192	11,398	11,503	3,688	3,204	5,765	4,589
Interest on long-term debt	1,937	1,788	1,440	1,842	1,602	1,657	826	894	1,034	949
Total governmental activities	64,386	73,695	72,574	78,814	73,300	79,416	77,923	73,956	74,792	79,345
Business-type activities:										
Electric	157,151	163,119	183,301	188,681	195,510	191,269	192,058	195,184	189,010	157,839
Water	11,836	13,170	14,437	14,778	15,044	16,403	15,857	16,237	16,201	16,281
Sewer	12,800	12,972	14,524	14,776	15,673	16,208	16,837	17,333	17,667	18,261
Gas	37,068	38,148	38,330	31,749	31,972	24,947	26,189	32,519	31,718	25,519
Public Transportation	1,389	1,412	1,791	1,703	1,837	2,178	2,499	2,459	3,406	2,130
Bradford Creek	871	878	911	906	914	930	-	-	-	-
Aquatics and fitness	1,521	1,560	-	-	-	-	-	-	-	-
Stormwater Utility	1,848	2,367	2,720	2,638	2,899	3,119	2,904	2,945	5,837	2,526
Sanitation	-	-	5,959	5,495	5,961	6,643	6,792	7,358	6,941	6,115
Total business-type activities	224,484	233,626	261,973	260,726	269,810	261,697	263,136	274,035	270,780	228,671
Total expenses	\$ 288,870	\$ 307,321	\$ 334,547	\$ 339,540	\$ 343,110	\$ 341,113	\$ 341,059	\$ 347,991	\$ 345,572	\$ 308,016
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,392	\$ 4,112	\$ 2,323	\$ 447	\$ 886	\$ 3,140	\$ 4,052	\$ 4,829	\$ 3,360	\$ 3,959
Public safety	4,189	3,709	4,221	5,060	4,564	5,545	4,360	4,149	5,542	4,686
Transportation	275	210	264	264	309	247	190	180	293	195
Environmental protection	4,004	4,634	81	-	-	-	-	-	-	-
Economic and physical development	668	768	1,280	170	738	-	19	19	19	19
Culture and recreation	31	516	19	1,324	1,247	1,354	1,120	1,088	1,093	1,939
Operating grants and contributions	4,578	3,101	3,952	7,491	9,502	9,820	4,523	3,540	3,211	2,505
Capital grants and contributions	3,022	3,691	5,657	13,735	10,258	4,091	3,975	3,214	2,788	6,916
Total governmental activities program revenues	21,159	20,741	17,797	28,491	27,504	24,197	18,239	17,019	16,306	20,219

CITY OF GREENVILLE, NORTH CAROLINA
CHANGES IN NET POSITION (CONTINUED)

Table 2

Last Ten Fiscal Years (in 000's)

	<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>	<u>2016</u>
Business-type activities:										
Charges for services:										
Electric	\$ 164,380	\$ 168,993	\$ 187,204	\$ 194,531	\$ 203,686	\$ 196,531	\$ 197,680	\$ 202,308	\$ 199,711	\$ 181,932
Water	11,977	13,714	13,955	13,829	15,289	16,462	16,321	16,526	17,465	18,587
Sewer	13,613	14,111	14,310	14,905	17,041	17,971	18,257	18,218	19,566	21,577
Gas	38,267	41,109	44,476	37,962	37,738	30,440	31,820	35,481	36,688	27,684
Public Transportation	166	185	218	235	274	314	359	330	402	284
Aquatics and Fitness	539	600	-	-	-	-	-	-	-	-
Bradford Creek	843	876	800	753	750	860	-	-	-	-
Stormwater Utility	2,823	2,933	2,958	3,207	3,066	2,962	3,117	3,670	4,354	4,905
Sanitation	-	-	5,427	5,914	5,431	5,408	6,630	6,814	7,204	7,460
Operating grants and contributions	930	699	1,538	807	830	1,009	-	901	804	-
Capital grants and contributions	12,350	5,074	5,301	3,501	1,062	5	2,103	1,162	3,105	2,121
Total business-type activities program revenues	<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>	<u>264,550</u>
Total program revenues	<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>	<u>\$ 284,769</u>
Net (expense)/revenue										
Governmental activities	\$ (43,227)	\$ (52,954)	\$ (54,777)	\$ (50,323)	\$ (45,796)	\$ (55,219)	\$ (59,684)	\$ (56,937)	\$ (58,486)	\$ (59,126)
Business-type activities	21,404	14,668	14,214	14,918	15,357	10,265	13,151	11,375	18,519	35,879
Total primary governmental net expense	<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>	<u>\$ (23,247)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 24,054	\$ 26,033	\$ 29,461	\$ 30,517	\$ 30,891	\$ 31,487	\$ 30,446	\$ 31,915	\$ 32,502	\$ 33,000
Other Taxes, grants and contributions	19,708	20,712	20,915	20,852	21,722	22,161	22,397	22,522	25,292	26,655
Investment earnings	2,765	2,706	2,455	1,486	919	969	69	2,038	2,064	700
Miscellaneous	-	-	-	469	-	(496)	-	-	-	-
Transfers	4,469	5,039	10,864	4,872	6,662	5,554	4,908	5,597	5,804	6,704
Total General revenues	<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>	<u>67,059</u>
Business-type activities:										
Investment earnings	3,088	2,377	1,472	813	641	337	227	209	284	330
Transfers	(4,469)	(5,039)	(10,864)	(4,872)	(6,662)	(5,554)	(4,908)	(5,597)	(5,804)	(6,704)
Total business-type activities	<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>	<u>(6,374)</u>
Total primary government	<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>	<u>\$ 60,685</u>
Change in Net Position										
Governmental activities	\$ 7,769	\$ 1,536	\$ 8,918	\$ 7,873	\$ 14,398	\$ 4,456	\$ (1,864)	\$ 5,135	\$ 7,176	\$ 7,933
Business-type activities	20,023	12,006	4,822	10,859	9,336	5,048	8,470	5,987	12,999	29,505
Total primary government	<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>	<u>\$ 37,438</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 10,002	\$ 11,315	\$ 9,671	\$ 10,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,457	15,657	18,396	17,203	-	-	-	-	-	-
Nonspendable	-	-	-	-	161	151	75	215	116	54
Restricted	-	-	-	-	10,690	11,582	10,267	10,848	16,169	10,171
Committed	-	-	-	-	2,831	3,059	2,277	2,277	2,277	2,277
Assigned	-	-	-	-	2,091	2,490	7,047	1,964	1,592	1,796
Unassigned	-	-	-	-	13,381	14,683	11,401	16,108	12,426	18,144
Total General Fund	\$ 27,459	\$ 26,972	\$ 28,067	\$ 27,607	\$ 29,154	\$ 31,965	\$ 31,067	\$ 31,412	\$ 32,580	\$ 32,442
All other governmental funds										
Reserved	\$ 123	\$ 108	\$ 116	\$ 709	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Subsequent Year's	-	-	-	108	-	-	-	-	-	-
Special revenue funds	9,430	6,901	5,990	3,987	-	-	-	-	-	-
Debt Service Funds	1,756	806	916	892	-	-	-	-	-	-
Capital Project Funds	9,333	11,822	14,166	9,993	-	-	-	-	-	-
Nonspendable	-	-	-	-	53	44	49	53	919	381
Restricted	-	-	-	-	8,384	5,429	2,160	5,767	8,257	5,235
Committed	-	-	-	-	7,477	5,996	7,747	6,846	6,045	5,172
Assigned	-	-	-	-	-	-	544	522	570	619
Unassigned	-	-	-	-	(1,970)	(1,327)	(1,181)	(489)	(5,097)	(531)
Total all other governmental funds	\$ 20,642	\$ 19,637	\$ 21,188	\$ 15,689	\$ 13,944	\$ 10,142	\$ 9,319	\$ 12,699	\$ 10,694	\$ 10,876
Total governmental funds	\$ 48,101	\$ 46,609	\$ 49,255	\$ 43,296	\$ 43,098	\$ 42,107	\$ 40,386	\$ 44,111	\$ 43,274	\$ 43,318

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Ad Valorem Taxes	\$ 23,896	\$ 26,296	\$ 29,715	\$ 30,581	\$ 30,749	\$ 31,567	\$ 30,276	\$ 32,256	\$ 32,956	\$ 32,776
Other Taxes	15,002	15,794	15,355	14,715	15,130	16,614	16,519	16,672	18,543	19,271
Unrestricted Intergovernmental	4,706	4,918	5,560	5,573	5,965	5,858	5,877	5,847	6,750	7,386
Restricted Intergovernmental	6,331	6,509	10,031	7,522	11,048	12,166	7,978	6,424	5,720	8,021
Licenses, Permits and fees	7,927	7,742	2,398	2,358	2,365	2,632	2,457	2,289	3,818	2,353
Sales and Services	4,360	5,474	5,604	4,947	5,290	5,117	5,484	5,180	5,766	5,083
Investment Earning	2,743	2,685	2,450	1,486	917	970	69	463	370	700
Other Revenue	1,941	725	424	1,137	896	1,360	1,316	1,715	861	1,340
Total revenues	66,906	70,143	71,537	68,319	72,360	76,284	69,976	70,846	74,784	76,930
Expenditures										
General government	8,451	8,843	8,991	8,935	8,727	9,100	11,238	10,331	10,504	12,413
Public safety	27,363	29,553	32,747	34,634	35,256	35,100	36,077	36,072	35,521	37,029
Public works	8,385	8,893	8,874	8,884	9,432	9,838	8,361	8,130	7,924	8,581
Environmental Protection	3,950	4,162	-	-	-	-	-	-	-	-
Cultural and Recreation	3,653	3,938	3,886	8,235	8,443	8,772	4,121	4,748	5,176	6,018
Economic and physical development	6,219	6,733	7,560	4,328	4,545	4,956	11,630	10,585	19,185	15,964
Capital Outlay	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)	(1,391)
Contribution to OPEB Trust	-	-	250	250	250	250	300	350	400	450
Debt service										
Principal	3,693	4,108	10,636	3,130	3,389	3,047	12,613	3,342	3,766	3,808
Interest and fees	1,967	1,787	1,440	1,682	1,580	1,684	2,010	894	1,034	871
Total expenditures	71,152	76,175	85,310	79,149	81,110	82,793	89,122	76,932	84,821	83,743
Excess of revenues over (under) expenditures	(4,246)	(6,032)	(13,773)	(10,830)	(8,750)	(6,509)	(19,146)	(6,086)	(10,037)	(6,813)
Other financing sources (uses)										
Transfers from other funds	14,519	23,048	23,854	12,999	12,739	14,207	12,127	16,027	15,880	16,410
Transfers to other funds	(12,488)	(18,509)	(19,124)	(8,127)	(7,432)	(8,774)	(7,766)	(11,213)	(11,622)	(11,277)
Payments to Escrow Agents	-	-	-	-	-	-	(9,750)	-	-	(6,248)
Sale of Property	-	-	175	-	-	-	-	-	-	-
Payments to Escrow Agents	-	-	-	-	-	(4,208)	-	-	-	-
Refunding debt issued	-	-	-	-	-	-	-	-	-	6,185
Long Term debt issued	7,645	-	12,014	-	3,244	4,293	22,541	4,997	4,200	2,096
Total other financing sources (uses)	9,676	4,539	16,919	4,872	8,551	5,518	17,152	9,811	8,458	7,166
Net change in fund balances	\$ 5,430	\$ (1,493)	\$ 3,146	\$ (5,958)	\$ (199)	\$ (991)	\$ (1,994)	\$ 3,725	\$ (1,579)	\$ 353
Debt services as a percentage of noncapital expenditures	9.0%	9.0%	16.0%	7.0%	7.0%	7.0%	17.0%	6.0%	6.0%	6.0%

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 & Industrial	Residential	Commercial & Industrial	Residential	Commercial & Industrial
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
2016	678,819,366	1,006,432,962	2,076,000	1,893,595	6,954,321	22,437,501

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property Residential and Commercial Property	Personal Property Motor Vehicle and Other Personal Property	Total Taxable Assessed Value	(2) Total Direct Tax Rate	Estimated Actual Taxable/Market Value	(1) Assessed Value as a Percentage of Market Value
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%
2016	5,476,922,075	764,354,906	6,241,276,981	0.0053	6,241,276,981	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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Electric (per kWh):										
Residential	\$ 0.1151	\$ 0.1145	\$ 0.1241	\$ 0.1280	\$ 0.1290	\$ 0.1310	\$ 0.1299	\$ 0.1310	\$ 0.1309	\$ 0.1249
Commercial & Industrial	0.0897	0.0886	0.0993	0.1031	0.1038	0.1025	0.1027	0.1031	0.1028	0.0945
Water (per kgal):										
Residential	3.7640	4.0708	4.2999	4.3392	4.5887	5.0031	5.0344	5.0703	5.3871	5.6670
Commercial & Industrial	2.4955	2.5912	2.7337	2.7720	2.8823	3.0610	2.8911	2.8810	3.0439	3.1589
Gas (per ccf):										
Residential	1.9046	2.0073	1.8639	1.5896	1.4856	1.5097	1.3558	1.4078	1.4695	1.3853
Commercial & Industrial	1.2560	1.3225	1.4106	1.0519	1.0119	0.9488	0.8636	0.9205	0.9365	0.7745

Source: Greenville Utilities Commission.

CITY OF GREENVILLE, NORTH CAROLINA
Property Tax Rates - Direct and Overlapping Governments

Table 8

Last Ten Fiscal Years

Fiscal Year	City of Greenville		Pitt County		Overlapping	
	Rate Per \$100	Total City Levy	Rate Per \$100	Total County Levy	Rate Per \$100	Total Levy
2007	0.560	\$ 25,237,917	0.700	\$ 60,298,700	1.260	\$ 85,536,617
2008	0.560	26,650,553	0.700	65,331,289	1.260	91,981,842
* 2009	0.520	30,211,997	0.665	78,367,343	1.185	108,579,340
2010	0.520	31,039,086	0.665	75,642,267	1.185	106,681,353
2011	0.520	30,838,534	0.665	76,968,291	1.185	107,806,825
2012	0.520	31,389,341	0.665	76,906,068	1.185	108,295,409
* 2013	0.520	30,005,085	0.680	76,846,937	1.200	106,852,022
2014	0.520	31,657,568	0.680	80,835,458	1.200	112,493,026
2015	0.540	32,647,441	0.680	72,373,686	1.220	105,021,127
* 2016	0.530	32,488,669	0.680	75,692,433	1.210	108,181,102

* Last date for revaluation. Revaluation occurs every four years.

Principal Property Taxpayers

12/31/2014 for Fiscal Year 2015

Taxpayer	2016		Percentage of Total Taxable Assessed Value	2007		Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
PEP Core NCCI LLC	\$ 57,603,990	1	0.93%			
Carolina Telephone/Sprint				\$ 40,300,000	1	0.90%
Wal Mart Real Estate Business Trust	50,710,681	2	0.82%			
Marelda Greenville Mall/ Colonial Mall				26,978,780	2	0.60%
RPI Greenville Mall LP	44,614,187	3	0.72%			
Southeast Properties (Pirates Cove Apts.)				19,086,006	3	0.42%
Copper Beech Townhome Communities Thirty SPE LLC	37,505,180	4	0.61%			
Treybrook LLC				18,139,360	4	0.40%
PEP ECU LLC	33,276,309	5	0.54%			
JDN Realty Corp., (University Commons)				16,192,510	5	0.36%
401 Moye Boulevard Realty DST	31,901,462	6	0.52%			
Speight, Maxine (Developer)				14,370,770	6	0.32%
PL Greenville LP	31,275,488	7	0.51%			
Waterford Place				14,015,545	7	0.31%
Taft Ward ECU Campus Edge Apts. LLC	27,221,426	8	0.44%			
Winterville Village (Medical Property)				12,971,650	8	0.29%
Heritage At Arlington Apts. LLC	26,738,844	9	0.43%			
Wal-mart (Retail)				12,433,533	9	0.28%
Scion Virtus Greenville LLC	26,266,639	10	0.43%			
GVL Lynncroft LLC				11,022,890	10	0.24%
Totals	\$367,114,206		5.96%	\$ 185,511,044		4.12%

Note: Information obtained from Pitt County Government.

Current Year and Nine Years Ago

Electric Fund		Fiscal Year 2016		Fiscal Year 2007	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 6,488,979	3.63%	\$ 5,842,090	3.74%
Vidant Medical Center ²	Health Care	5,031,073	2.81%	4,497,416	2.88%
DSM Dyneema, LLC	High Performance Fibers	4,747,451	2.65%	2,048,049	1.31%
East Carolina University	Education	4,328,557	2.42%	3,215,457	2.06%
Attends Healthcare Products ³	Medical Products	3,376,062	1.89%	2,236,321	1.43%
East Carolina University	Education	2,883,421	1.61%	3,170,343	2.03%
East Carolina University	Education	1,868,196	1.04%	2,465,176	1.58%
ASMO of Greenville	Motors	1,647,348	0.92%	989,084	0.63%
Vidant Medical Center ²	Health Care	1,569,752	0.88%		
Hyster Yale Group ⁴	Fork Lift Trucks	1,306,598	0.73%	1,068,205	0.68%
Vermont American Corp	Drill Bits			1,243,550	0.80%
Totals		\$ 33,247,437	18.58%	\$ 26,775,691	17.14%

Current Year and Nine Years Ago

Water Fund		Fiscal Year 2016		Fiscal Year 2007	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
Town of Farmville	Government	\$ 664,805	3.75%		
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	649,564	3.67%	359,360	3.30%
Town of Winterville	Government	331,986	1.87%		
Vidant Medical Center ²	Health Care	272,288	1.54%	195,043	1.79%
DSM Dyneema, LLC	High Performance Fibers	141,095	0.80%	89,531	0.82%
DSM Dyneema, LLC	High Performance Fibers	97,635	0.55%		
Fuji Silysia Chemical USA, LTD	Silica Gel	92,397	0.52%	48,527	0.45%
Stokes Regional Water Corporation	Water Utility	90,941	0.51%		
Vidant Medical Center ²	Health Care	81,510	0.46%	41,278	0.38%
Vidant Medical Center ²	Health Care	72,504	0.41%		
East Carolina University	Education			71,006	0.65%
Greenville Housing Authority	Apartments			65,428	0.60%
Karastan Bigelow	Carpet Yarn			40,443	0.37%
Greenville Housing Authority	Apartments			39,588	0.36%
Pitt County	Government			29,072	0.27%
Totals		\$ 2,494,725	14.08%	\$ 979,276	8.99%

Current Year and Nine Years Ago

Sewer Fund		Fiscal Year 2016		Fiscal Year 2007	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 1,017,769	4.95%	\$ 592,399	5.08%
Town of Bethel	Government	688,228	3.35%	254,932	2.19%
Vidant Medical Center ²	Health Care	489,869	2.38%	315,998	2.71%
DSM Dyneema, LLC	High Performance Fibers	471,965	2.30%		
Fuji Silysia Chemical USA, LTD	Silica Gel	174,744	0.85%	82,170	0.71%
Vidant Medical Center ²	Health Care	144,873	0.70%	66,536	0.57%
Vidant Medical Center ²	Health Care	130,156	0.63%		
East Carolina University	Education	104,632	0.51%	114,634	0.98%
East Carolina University	Education	69,125	0.34%		
Province Greenville NC LP	Apartments	67,730	0.33%		
Greenville Housing Authority	Apartments			78,536	0.67%
Karastan Bigelow	Carpet Yarn			68,397	0.59%
Greenville Housing Authority	Apartments			47,768	0.41%
Pitt County	Government			42,799	0.37%
Totals		\$ 3,359,091	16.34%	\$ 1,664,169	14.28%

Current Year and Nine Years Ago

Gas Fund	Customer	Product/Service	Fiscal Year 2016		Fiscal Year 2007	
			Annual Revenue	Percentage of Total Revenue	Annual Revenue	Percentage of Total Revenue
	Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 2,929,483	10.83%	\$ 2,287,760	6.04%
	East Carolina University	Education	2,038,289	7.53%	3,763,819	9.94%
	Vidant Medical Center ²	Health Care	1,456,820	5.38%	1,667,927	4.40%
	DSM Dyneema, LLC	High Performance Fibers	891,416	3.29%	1,487,024	3.93%
	DSM Dyneema, LLC	High Performance Fibers	700,360	2.59%		
	East Carolina University	Education	667,408	2.47%	1,464,654	3.87%
	Vidant Medical Center ²	Health Care	492,999	1.82%		
	Fuji Silysia Chemical USA, LTD	Silica Gel	405,622	1.50%	620,423	1.64%
	Metallix, Inc.	Refining Precious Metals	361,949	1.34%	255,361	0.67%
	Hyster Yale Group ⁴	Fork Lift Trucks	360,942	1.33%	777,151	2.05%
	Greenville Paving & Contracting, Inc.	Construction			450,466	1.19%
	Metrics, Inc.	Pharmaceuticals			325,860	0.86%
	Totals		\$ 10,305,288	38.08%	\$ 13,100,445	34.59%

¹ Formerly DSM Pharmaceuticals, Inc.

² Formerly Pitt County Memorial Hospital.

³ Formerly Paper Pak Products, Inc.

⁴ Formerly NACCO Materials Handling.

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

Fiscal Year	** Property Tax	Sales Tax	* Franchise Tax	Alcoholic Beverage Tax	Other Taxes	Total
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
2016	32,488,669	17,289,693	7,821,142	390,180	142,723	58,132,406

* Franchise Tax includes Cable TV and Utilities Franchise taxes.

** 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
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%
2016	32,676,680	32,488,669	99.42%	-	32,488,669	99.42%

(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	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Certificates of Participation	Installment Purchase Contracts	Revenue Bonds	General Obligation Bonds	Installment Purchase Contracts	Other Debt			
2007	\$ 12,990	\$ 5,365	\$ 22,180	\$ 2,522	\$ 74,136	\$ 9,665	\$ 992	\$ 20,287	\$ 148,137	2.73%	\$ 2,057
2008	12,150	5,080	20,715	1,004	99,842	8,460	805	18,882	166,938	2.94%	2,197
2009	11,315	4,785	12,195	12,182	94,882	7,304	744	19,926	163,333	2.83%	2,016
2010	10,486	4,475	11,380	11,007	89,072	6,109	549	28,587	161,665	2.71%	1,996
2011	12,980	4,155	10,565	10,007	83,976	4,967	2,445	29,082	158,177	2.56%	1,883
2012	12,012	3,968	9,750	9,016	78,259	4,570	2,972	29,055	149,602	2.43%	1,781
2013	11,051	3,570	-	20,303	79,646	4,404	3,447	32,500	154,921	2.46%	1,781
2014	10,222	3,165	-	23,192	72,136	4,207	2,099	36,390	151,411	2.44%	1,701
2015	9,392	6,925	-	20,694	64,401	4,013	630	36,339	142,394	(1)	1,600
2016	8,667	6,455	-	20,251	93,652	3,838	959	46,663	180,485	(1)	2,005

- 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
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Table 14

Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	0.23%	0.23%	157
2015	13,407	393	13,014	(1)	0.21%	146
2016	12,505	354	12,151	(1)	0.19%	135

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 360,000	\$ 380,000	\$ 464,000	\$ 477,264	\$ 474,012	\$ 489,077	\$ 461,333	\$ 486,793	\$ 489,684	\$ 499,302
Total net debt applicable to limit	147,687	166,937	163,305	161,665	157,611	150,355	156,000	152,518	142,395	180,485
Legal debt margin	\$ 212,313	\$ 213,063	\$ 300,695	\$ 315,599	\$ 316,401	\$ 338,722	\$ 305,333	\$ 334,275	\$ 347,289	\$ 318,817
Total net debt applicable to the limit as a percentage of debt limit	41.02%	43.93%	35.20%	33.87%	33.25%	30.74%	33.82%	31.33%	29.08%	36.15%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 6,241,276,981
Debt Limit (8% of total assessed value)	499,302,158
Debt applicable to limit:	
General obligation bonds	12,505,000
Special obligation revenue	6,455,000
Revenue bonds	93,651,999
Other Debt	<u>67,873,129</u>
Legal debt margin	<u>\$ 318,817,030</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
Direct and Overlapping Governmental Activities Debt

Table 16

As of June 30, 2016

Governmental Unit	Net General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping			
Pitt County	\$ 19,250,000	50.13%	<u>\$ 9,650,025</u>
Direct			
City of Greenville			<u>35,373,492</u>
Total direct and overlapping debt			<u>\$ 45,023,517</u>

Note: Amounts expressed in thousands

Sources: Assessed value data used to estimate applicable percentages provided by the County.
 Website, Analysis of adopted tax levy. Debt outstanding data provided by the county.

CITY OF GREENVILLE, NORTH CAROLINA
Pledged Revenue Coverage

Table 17

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
2007	229,213	200,430	28,783	5,392	3,624	9,015	3.19	882	275	263	1.64
2008	239,417	206,067	33,350	5,972	3,799	9,772	3.41	965	285	252	1.80
2009	260,505	229,007	31,498	6,375	3,364	9,739	3.23	896	295	240	1.67
2010	261,518	228,538	32,980	7,331	4,567	11,899	2.77	915	310	228	1.70
2011	274,671	236,102	38,569	8,368	4,905	13,273	2.91	967	320	215	1.81
2012	261,313	226,583	34,730	8,890	4,230	13,120	2.65	1,107	325	185	2.17
2013	264,251	228,067	36,185	9,388	4,061	13,450	2.69	1,059	398	112	2.08
2014	272,354	238,628	33,726	11,229	3,905	15,135	2.23	1,109	405	103	2.18
2015	273,208	233,793	39,415	11,476	3,671	15,147	2.60	1,207	440	144	2.07
2016	250,663	195,145	55,518	10,743	3,461	14,204	3.91	1,270	470	215	1.85

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 18

Last Ten Fiscal Years

Fiscal Year	(2) Population	Personal Income (amounts expressed in thousands)	Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	6,209,314	35,410	31	23,500	6.9%
2015	89,852	(1)	(1)	(1)	23,511	6.9%
2016	90,597	(1)	(1)	(1)	23,056	5.9%

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 19

Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vidant Health	6,560	1	11.48%	6,297	1	8.86%
East Carolina University	5,750	2	10.06%	4,936	2	6.95%
Pitt County Public Schools	3,650	3	6.39%	2,940	3	4.14%
NACCO Materials Handling Group	1,173	4	2.05%	1,200	4	1.69%
City of Greenville	1,177	5	2.06%	939	7	1.32%
Pitt Community College	1,100	6	1.92%	850	8	1.20%
Patheon, Inc. (DSM Pharmaceuticals)	1,040	7	1.82%	1,000	5	1.41%
County of Pitt	901	8	1.58%	975	6	1.37%
ASMO	624	9	1.09%			
Alliance (DIMON) International				500	9	0.70%
Physicians East	615	10	1.08%	500	10	0.70%
Total	22,590		39.52%	20,137		28.34%

Note: Information obtained from Pitt County Development Commission.

CITY OF GREENVILLE, NORTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Table 20

Last Ten Fiscal Years

	<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>	<u>2016</u>
Function										
General government	58	67	68	68	68	62	65	68	61	56
Public safety										
Police	211	223	278	239	239	240	240	241	233	239
Fire	143	145	158	157	157	157	153	158	148	158
Public Works	199	203	205	205	205	204	204	188	168	152
Recreation and Parks	61	53	62	62	62	65	65	67	57	74
Community Development	32	33	25	26	26	26	34	36	30	39
Electric	197	202	204	192	196	197	197	210	135	203
Water and Sewer	152	151	157	158	158	159	159	167	117	179
Gas	65	67	68	67	67	64	66	70	51	77
Total Employees	<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>	<u>1,177</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 21

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
Police:										
Physical arrests	4,497	4,756	5,141	4,826	4,888	4,861	5,592	5,487	4,590	4,254
Parking violations	2,303	13,392	15,112	11,862	4,658	5,537	7,522	8,646	8,717	13,970
Traffic violations	19,998	18,088	17,527	20,326	16,235	15,420	16,975	11,979	9,720	8,753
Fire:										
Number of calls answered	4,152	4,388	4,711	4,114	4,746	5,339	5,479	5,753	*2,706	2,959
Inspections	2,162	3,500	2,340	2,644	2,787	2,593	1,902	1,571	1,938	1,699
EMS:										
Number of calls answered	10,725	11,198	11,227	13,035	15,149	15,006	15,080	15,353	*13,917	14,065
Sanitation:										
Refuse collected (tons/year)	27,322	27,442	28,458	29,163	28,286	29,309	27,888	27,955	28,318	28,558
Recyclables collected (tons/year)	1,816	3,056	3,030	3,599	4,038	5,538	5,101	4,446	3,366	3,920
Culture and recreation:										
Facility reservations issued	817	916	1,140	1,560	1,936	2,013	1,841	1,692	1,798	2,106
Water:										
Connections (of service connect)	32,065	33,051	33,733	34,336	34,419	34,514	34,742	34,959	35,179	35,599
Water Lines (miles)	593	615	618	626	626	628	628	627	628	629
Average daily consumption (thousands of gallons)	10,264	10,797	10,785	10,977	11,850	11,896	12,008	12,394	12,800	12,384
Wastewater:										
Average daily sewage treatment (thousands of gallons)	10,587	9,152	8,879	10,120	9,593	10,301	10,426	10,530	10,800	11,195

Sources: Various government and GUC departments.

* Numbers updated to reflect correct statistical representation for 2015 data.

CITY OF GREENVILLE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION

Table 22

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
Public safety:										
Police Stations	1	1	1	2	3	3	3	3	3	3
Patrol units	174	177	180	183	192	203	203	202	178	202
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation:										
Collection trucks	37	37	42	42	42	42	41	38	41	45
Highways and streets:										
Streets (miles)	234.3	235.0	255.0	263.8	269.9	269.0	269.1	269.33	269.59	269.1
Streetlights	6,166	6,482	6,672	6,672	6,993	7,065	7,105	7,152	7,220	7,105
Traffic signals	27	33	33	33	33	33	33	33	33	33
Culture and recreation:										
Parks acreage	1,511	1,120	1,450	1,450	1,455	1,455	1,455	1,455	1,455	1,454
Parks	29	29	29	29	29	29	29	29	29	26
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spraygrounds	-	-	-	-	-	-	1	1	1	1
Tennis courts	24	24	24	24	24	24	24	24	24	21
Community centers	13	5	5	5	2	3	3	3	3	3
Recreation Centers	-	6	6	6	6	6	6	6	6	7
Specialty Centers	-	-	-	-	3	3	3	3	3	3
Electric:										
Number of distribution stations	17	18	18	19	19	19	19	19	19	19
Miles of service lines	2,509	2,575	2,575	2,575	2,672	2,714	2,719	2,781	2,804	2,901
Water:										
Water lines (miles)	593	615	618	618	626	628	628	627	628	629
Maximum daily treatment capacity (millions of gallons)	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	22.5	24.5
Sewer:										
Sanitary sewers (miles)	448	464	466	468	469	471	479	471	475	479
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	562	581	593	597	600	604	609	612	613	614
Miles of service lines	394	421	423	422	424	430	434	437	438	440



FY 2016 Comprehensive Annual Financial Report
SINGLE AUDIT & COMPLIANCE

**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, 2016 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2016.

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.

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 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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

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 Bekard LHP". The signature is written in a cursive, slightly slanted style.

Raleigh, North Carolina
October 31, 2016

**Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance in Accordance with
OMB Uniform Guidance 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 *OMB 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, 2016. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. 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
October 31, 2016

**Report on Compliance for Each Major State Program
and on Internal Control over Compliance in Accordance with
OMB Uniform Guidance 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, 2016. 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; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. 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
October 31, 2016

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

SECTION I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: 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

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 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Names of Federal Program or Cluster</u>
20.507	Federal Transit Cluster
66.458	Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

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

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
Transit Development Program (Capital and Noncapital)

SECTION II. Financial Statement Findings

None reported.

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

FINDING: 2015-001 – Errors in financial reporting

Status: Completed

FINDING: 2014-002 – Deficit fund balances

Status: Completed

FINDING: 2014-003 – Appropriation of fund balance in excess of statutory limits

Status: Completed

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2016

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Passed Through to Subrecipients	Local Expenditures	Total Expenditures
FEDERAL FINANCIAL ASSISTANCE							
U.S. Department of Housing and Urban Development							
Direct Programs -							
<u>Community Development Block Grant - Entitlement Grants Cluster</u>							
CDBG Entitlement Grant	14.218		\$ 250	\$ -	\$ -	\$ 60	\$ 310
CDBG Entitlement Grant	14.218		487,885	-	-	116,821	604,706
CDBG Entitlement Grant	14.218		195,547	-	-	74,167	269,714
Total CDBG Entitlement Grants Cluster			683,682	-	-	191,048	874,730
HOME Investment Partnerships Program	14.239		150,397	-	-	36,012	186,409
HOME Investment Partnerships Program	14.239		129,707	-	-	31,058	160,765
HOME Investment Partnerships Program	14.239		20,000	-	-	11,220	31,220
			300,104	-	-	78,290	378,394
Total U.S. Department of Housing and Urban Development			983,786	-	-	269,338	1,253,124
U.S. Department of Transportation							
Direct Programs -							
<u>Highway Planning and Construction Cluster</u>							
Highway Planning and Construction Cluster	20.205		128,274	-	-	32,068	160,342
Total Highway Planning and Construction Cluster			128,274	-	-	32,068	160,342
<u>Federal Transit Cluster</u>							
Federal Transit - Formula Grants	20.507		693,665	-	-	693,665	1,387,330
Federal Transit - Formula Grants	20.507		143,832	-	-	35,958	179,790
Federal Transit - Formula Grants	20.507		457,480	-	-	114,370	571,850
Federal Transit - Formula Grants	20.507		1,250,161	-	-	156,270	1,406,431
Total Federal Transit Cluster			2,545,138	-	-	1,000,263	3,545,401
Passed Through N. C. Department of Transportation							
<u>Highway Safety Cluster</u>							
State and Community Highway Safety	20.600	MC-15-11-09	2,370	-	-	-	2,370
Total Highway Safety Cluster			2,370	-	-	-	2,370
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.17.9.3	33,840	4,230	-	4,230	42,300
Total U.S. Department of Transportation			2,709,622	4,230	-	1,036,561	3,750,413
U.S. Department of Justice							
Direct Programs -							
Public Safety Partnership and Community Policing Grants	16.710		61,184	-	-	20,395	81,579
Edward Byrne Memorial Justice Assistance Grant Program	16.592		9,172	-	-	-	9,172
Edward Byrne Memorial Justice Assistance Grant Program	16.738		50,079	-	25,305	-	50,079
Total U.S. Department of Justice			120,435	-	25,305	20,395	140,830
Environmental Protection Agency							
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		19,324	-	-	-	19,324
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		38,577	-	-	-	38,577
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		38,577	-	-	-	38,577
Passed Through City of Wilson, North Carolina							
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	46,075	-	-	-	46,075
			142,553	-	-	-	142,553
Passed through NC Department of Environmental Quality							
<u>Clean Water State Revolving Fund Cluster</u>							
Capitalization Grants for Clean Water State Revolving Funds	66.458	E-SRL-T-10-0261	8,866,000	-	-	921,445	9,787,445
Capitalization Grants for Clean Water State Revolving Funds	66.458	E-SRL-T-10-0260	13,940,668	-	-	1,169,993	15,110,661
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370487-09	1,810,593	-	-	-	1,810,593
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370487-11	1,099,088	-	-	-	1,099,088
Total Clean Water State Revolving Fund Cluster			25,716,349	-	-	2,091,438	27,807,787
Total Environmental Protection Agency			25,858,902	-	-	2,091,438	27,950,340
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE							
Housing Finance Agency							
Urgent Repair Program	N/A	NCHFA-1	-	25,365	-	-	25,365
Total Housing Finance Agency			-	25,365	-	-	25,365
Department of Transportation							
Division of Highways							
Powell Bill Funds	N/A	N/A	-	2,220,065	-	-	2,220,065
Public Transportation Division							
Transit Development Program (Capital and Noncapital)	N/A	NC-04-0032-00	-	156,270	-	-	156,270
Public Transportation and Rail Division							
State Maintenance Assistance Program (SMAP)	N/A	16SMAP012	-	306,054	-	-	306,054
Total Department of Transportation			-	2,682,389	-	-	2,682,389
Total Federal and State Assistance			\$ 29,672,745	\$ 2,711,984	\$ 25,305	\$ 3,417,732	\$ 35,802,461

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2016

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity of the City of Greenville under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Greenville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Greenville.

Note 2—Summary of significant accounting policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Greenville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Loans outstanding

City of Greenville had the following loan balances outstanding at June 30, 2016 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2016 consist of:

<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
66.458	E-SRL-T-10-0261	\$ 7,092,800
66.458	E-SRL-T-10-0260	11,551,562
66.458	CS370487-09	1,806,103

Note 4—State match to Federal Transit Cluster Grant

The North Carolina Department of Transportation Transit Development Program grant provides the state match to the NC-04-0032-00 grant.