



Greenville
NORTH CAROLINA

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Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2018

OUR MISSION

The City of Greenville's mission is to provide all citizens with high-quality services in an open, inclusive, professional manner, ensuring a community of excellence now and in the future.

OUR VISION

The City of Greenville is a vibrant, innovative, and inclusive community with unique and sustainable neighborhoods; an abundance of first-class arts, cultural and recreational opportunities; well-maintained and cost-effective infrastructure; a diversity of transportation options; and a strong business climate supported by entrepreneurialism and top-quality educational institutions.

OUR VALUES

Integrity — We will be truthful, dependable, and fair in all actions.

Respect — We will value each person for their thoughts, opinions, and diversity.

Professionalism — We will be professional and efficient in our work.

Fairness and Equity — We will practice fairness and equity in all decisions.

Teamwork — We will work together in a shared responsibility of service.

Accountability — We will be accountable for our actions and decisions to all we serve.

Commitment to Service and Excellence — We will strive for excellence and be committed to providing high-quality services to our customers/citizens.



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Introduction

FY 2018 Comprehensive
Annual Financial Report

November 29, 2018



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

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 to fulfill that requirement for the fiscal year ended June 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Cherry Bekaert LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City of Greenville’s financial statements for the year ended June 30, 2018. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Greenville, North Carolina, founded in 1771, as Martinsborough (named for the Royal Governor Josiah Martin, and later named for General Nathanael Greene), 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, educational, cultural, and medical capital of Eastern North Carolina, with a growing population of approximately 93,100.

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 serves as Chief Executive Officer and is responsible for implementing Council policies, City ordinances, managing daily operations, and appointing department directors. The City Manager also serves as a Commissioner on the Greenville Utilities Board.

The City of Greenville, North Carolina provides a full range of services, including police and fire protection, planning and zoning, community and economic development, recreational activities and parks, refuse, recycling, and other sanitation services, stormwater and drainage, fixed-route transit services, regional transportation planning services, general administrative and technological services, engineering, 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 an initial budget ordinance for the fiscal year no later than July 1st of each year. This annual 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

The City of Greenville functions as a major commuter hub and urban regional center. At the heart of Greenville are two very significant economic generators – East Carolina University (ECU) and Vidant Medical Center. Their presence and growth have allowed Greenville to grow into a prosperous “uni-med” community. In the educational area, ECU is the third-largest university in North Carolina with nearly 29,000 students and more than 5,800 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. The newest Vidant endeavor, Vidant Health Cancer Center, opened in 2018. The new Cancer Center is a 6-story, 96-bed facility encompassing 418,000 square feet.

The East Carolina Research and Innovation Campus, also known as the ECU Millennial Campus, contributes to Greenville's local economy in more ways than one. ECU's Millennial Campus serves as a model for research universities giving them greater flexibility to work with education, industry, government, military and other partners to develop real estate products that promote university goals.

Pitt Community College (PCC) is seventh 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, Pitt County Schools System (PCS) provides K-12 instruction. PCS is accredited AdvancED, a trusted partner to over 34,000 schools and school systems.

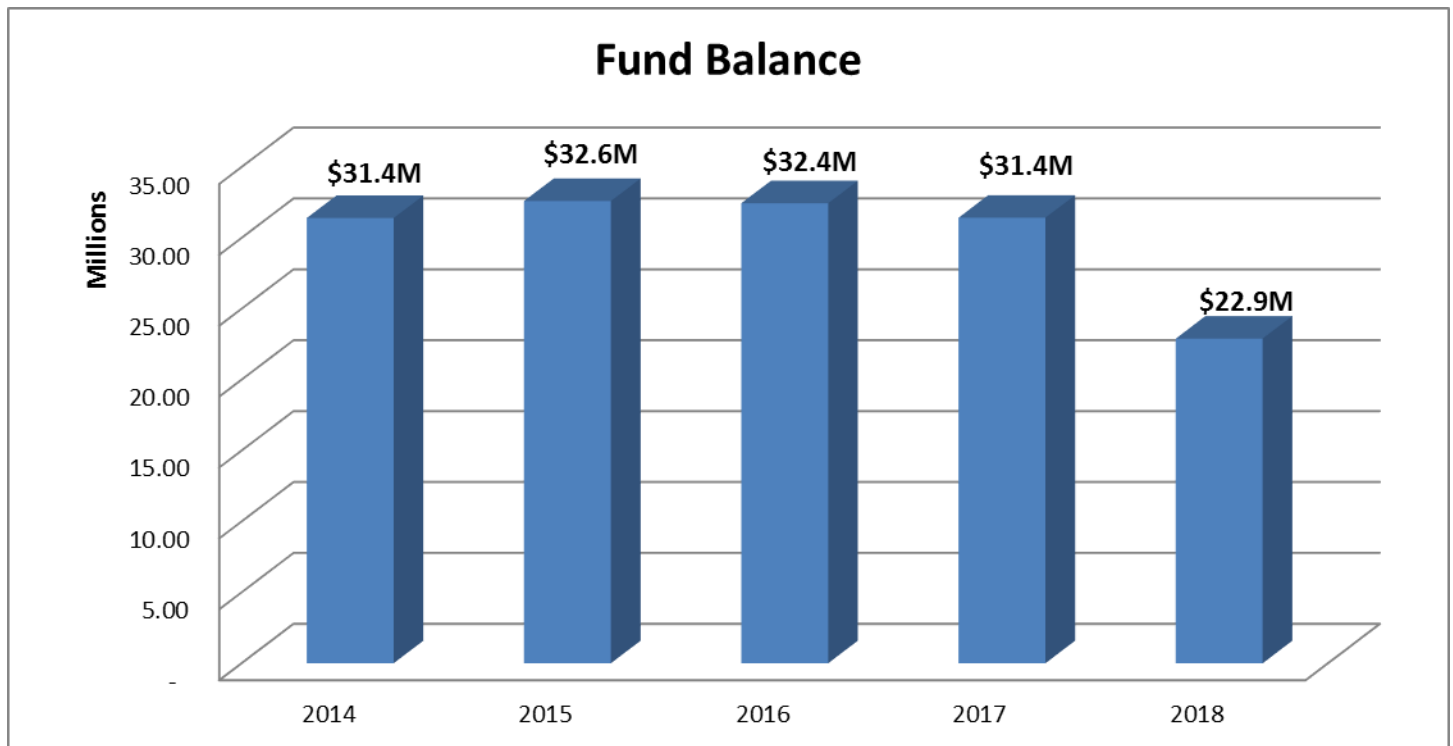
An off-shoot to being a “uni-med” community is the bio-med businesses which thrive in the uni-med environment. Several medical innovations have been developed in Greenville including robotic heart valve replacement surgery and an implant to help patients overcome stuttering. Greenville is also home to 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.

A majority of Greenville's manufacturing is located inside the extra-territorial jurisdiction (ETJ), thereby providing stable employment for Greenville's residents. However, much of this manufacturing is located outside the City's limits, which does not provide the property tax base that would help Greenville provide City services. Businesses that call Greenville their home include the likes of:

- DSM Dyneema: Produces components in ropes, cables and nets for the fishing and shipping industries
- NACCO Materials Handling Group: Designs, engineers, and manufactures materials handling equipment
- ASMO: Produces front wiper motor linkages, rear wiper motors, arms, and blades and radiator fan motors for its North American customers
- Grady-White Boats: Has a legendary reputation for designing and producing outstanding fiberglass boats

Economic Impact to the City

The City's FY 2018 budget represented a 10.8% increase from the FY 2017 total. The increase was a result of transfers to Capital Project Funds from excess fund balance. Revenue estimates were increased when the city began a Red Light Traffic Program. All net proceeds from the program are given to the Pitt County Board of Education. In FY 2018, \$19.1 million in Sales tax was collected, increasing 3% 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 2018 property tax rate remained constant at \$0.52 per \$100 of assessed valuation.



Based on revenues of \$81.9 million and expenses of \$90.3 million, the City's General Fund experienced a net decrease in fund balance of \$8.5 million; 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 \$22.9 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 \$167 million.

As of June 30, 2018, 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.

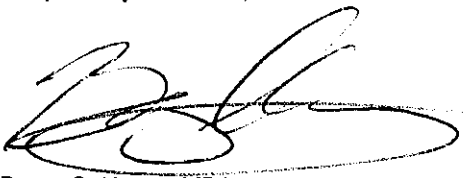
Awards and Acknowledgements

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, 2017. This was the twenty-ninth 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, 2018 is being submitted to GFOA for consideration of Certificate of Achievement indicating the City's commitment in continuing to meet program requirements. 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.

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the entire staff of the Financial Services Department. I also want to thank the City Manager's Office, 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. This CAFR reflects the City's commitment to the citizens of Greenville, North Carolina and the financial community to maintain financial statements in conformance with the highest standards of financial accountability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Byron C. Hayes', written over a horizontal line.

Byron C. Hayes, MBA
Financial Services Director



Government Finance Officers Association

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

Presented to

**City of Greenville
North Carolina**

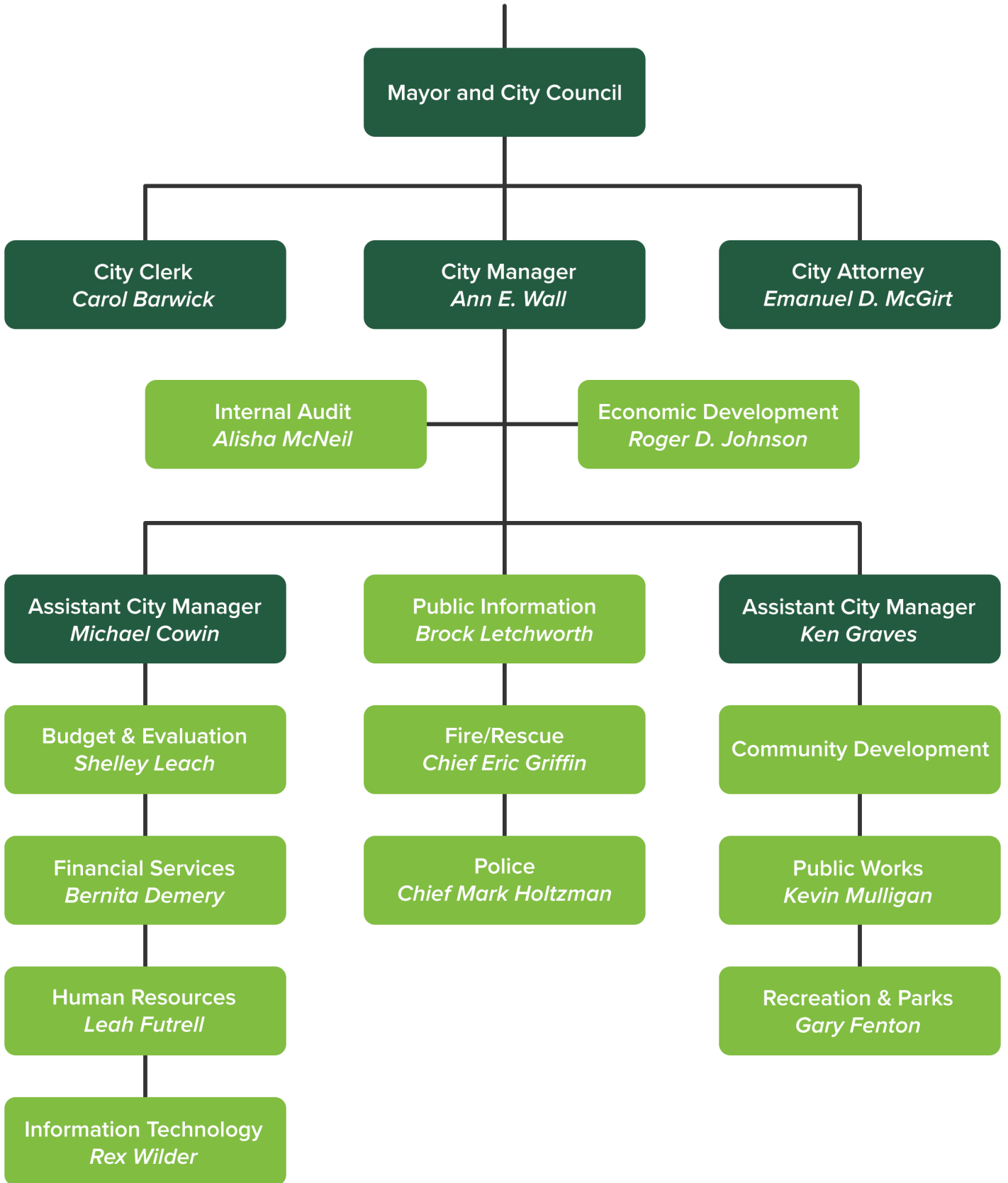
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Citizens

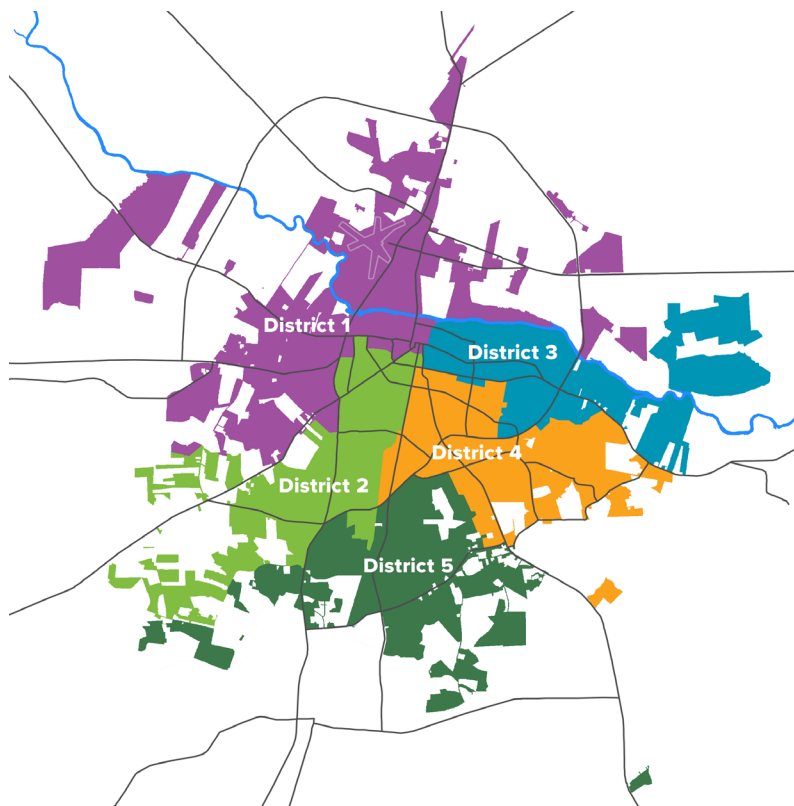




CITY OFFICIALS

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.



P.J. Connelly
Mayor



Rose Glover
Mayor Pro-Tem
District 2



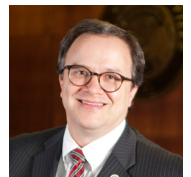
Kandie Smith
District 1



Will Bell
District 3



Rick Smiley
District 4



William Litchfield
District 5



Brian Meyerhoeffer
At-Large





Financial Section

FY 2018 Comprehensive
Annual Financial Report

Report of Independent Auditor

The Honorable Mayor
and Members of the City Council
City of Greenville
Greenville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina (the "City") as of and for the year ended June 30, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note III. D. to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. As a result, net position of the Governmental and Business-Type Activities as of June 30, 2017 has been restated. Additionally, as discussed in Note III.D., the City recorded an adjustment to net position for Governmental and Business-Type Activities as of June, 30, 2017 to reflect a more appropriate accounting treatment of certain costs in Construction in Progress and an adjustment to net position as of June 30, 2017 for Business-Type Activities to record discovery of donated assets in a prior year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The 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 November 29, 2018, 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.

Chemy Bekaert LLP

Raleigh, North Carolina
November 29, 2018

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, 2018. 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, 2018 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 \$562,080,509 (*net position*). Of this amount, \$98,065,010 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$26,485,866. The City's net position changed due to a decrease of \$22,365,036 in Governmental Activities and a decrease of \$4,120,830 in Business-type activities. The decrease in Net Position was primarily due to a restatement of beginning net position due to the City's adoption of GASB 75.
- The City of Greenville's governmental funds reported combined ending fund balances of \$43,976,959, a decrease of \$3,774,135, in comparison with the prior year. Approximately 31% of the total fund balance, within the General Fund, or \$13,428,134, is available for spending at the government's discretion. Of this amount, 89% is considered unassigned fund balance. Approximately 47% of the total General Fund's fund balance amount, or \$10,850,588, is non-spendable or restricted.
- Unassigned fund balance for the General Fund was \$12,048,199, or 13% 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 \$8,522,297, when compared to prior year. Overall, the expenditures increased at a faster rate than revenues, having increases of ten percent and one percent, respectively. The increase in expenditures was driven by transfers to capital project funds.
- The City of Greenville's total debt, including the Greenville Utilities Commission (GUC) managed debt (excluding Law Enforcement Officer Separation Allowance, LGERS, OPEB and Compensated Absences liabilities) had a net decrease of \$12.5 million during the current fiscal year.
- In Fiscal Year 2019, the City will issue approximately \$8 million in General Obligation bonds. The bonds will be the second half of the Streets and Pedestrian Bond issuances. In Fiscal Year 2019 the City will also issue approximately \$1 million in installment financing to upgrade Police software.

In addition, the City recognized the following accomplishments:

- For the 29th 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.

CITY OF GREENVILLE, NORTH CAROLINA

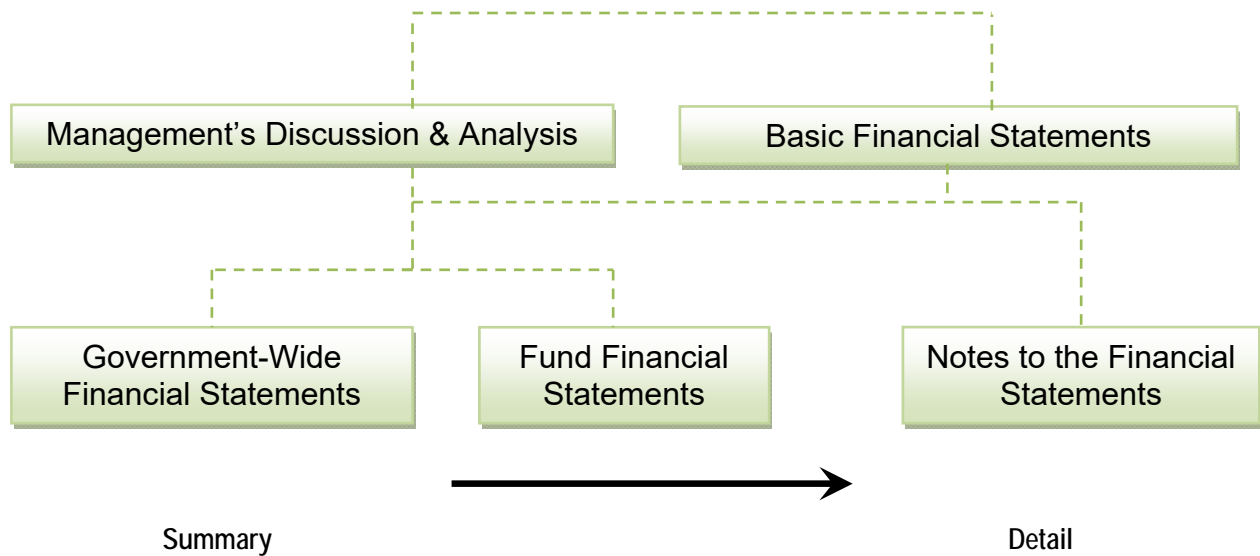
MANAGEMENT’S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Greenville’s basic financial statements. The City’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the City of Greenville.

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the City’s financial status.

The next statements (Exhibits C through K) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the City’s individual funds. Budgetary information required by the General Statutes can also be found in this part of the statements.

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows and resources and total liabilities and deferred inflows and resources. Measuring net position is one way to gauge the City's financial condition.

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

FUND FINANCIAL STATEMENTS

The fund financial statements beginning with Exhibit C provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Greenville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Greenville can be divided into the three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Greenville adopts an annual budget for its General Fund, as required by the General Statutes. Biennially, the City also approves a financial operating plan that includes a two-year budget and five years Capital Improvement Program. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council concerning which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance those current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

CITY OF GREENVILLE, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 four functioning internal service funds. The City uses internal service funds to account for its fleet maintenance program, health insurance, facility improvements, 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-Employment 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, pension benefits to employees through the Local Governmental Employee Retirement System, and health benefits to retirees through Other Post Employment Benefits. Required supplementary information can be found following the notes section of this report.

INTERDEPENDENCE WITH OTHER ENTITIES:

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of net position as of June 30, 2018 (as shown in Exhibit A) with comparative data for June 30, 2017.

City of Greenville's Net position
Figure 2

	Government Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 66,493,980	\$ 66,686,129	\$ 185,427,655	\$ 172,710,095	\$ 251,921,635	\$ 239,396,224
Investment in joint venture	22,033,325	21,758,729	-	-	22,033,325	21,758,729
Capital assets, non-depreciable	77,392,282	85,007,226	38,220,114	32,180,303	115,612,396	117,187,529
Capital assets, net	113,026,352	106,156,938	366,934,283	364,379,410	479,960,635	470,536,348
Total Assets	<u>278,945,939</u>	<u>279,609,022</u>	<u>590,582,052</u>	<u>569,269,808</u>	<u>869,527,991</u>	<u>848,878,830</u>
Total Deferred outflows of resources	<u>9,058,706</u>	<u>12,058,237</u>	<u>8,793,654</u>	<u>11,623,342</u>	<u>17,852,360</u>	<u>23,681,579</u>
Long-term liabilities outstanding	105,435,749	86,266,535	180,733,988	165,722,239	286,169,737	251,988,774
Other liabilities	7,672,022	7,880,087	23,966,273	22,268,631	31,638,295	30,148,718
	<u>113,107,771</u>	<u>94,146,622</u>	<u>204,700,261</u>	<u>187,990,870</u>	<u>317,808,032</u>	<u>282,137,492</u>
Total Deferred inflows of resources	<u>1,149,308</u>	<u>1,408,035</u>	<u>6,342,502</u>	<u>448,507</u>	<u>7,491,810</u>	<u>1,856,542</u>
Net position:						
Investments in capital assets, net						
investment in capital assets	159,150,868	160,374,922	287,024,110	274,322,389	446,174,978	434,697,311
Restricted	17,840,521	12,022,058	-	-	17,840,521	12,022,058
Unrestricted	(3,243,823)	23,715,622	101,308,833	118,131,384	98,065,010	141,847,006
Total net position	<u>\$ 173,747,566</u>	<u>\$ 196,112,602</u>	<u>\$ 388,332,943</u>	<u>\$ 392,453,773</u>	<u>\$ 562,080,509</u>	<u>\$ 588,566,375</u>

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 \$562,080,509 (*net position*). The City's net position decreased by \$26,485,866 for the fiscal year ended June 30, 2018, when compared to prior year. The largest portion (79%) of the City's Net Position 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, \$17,840,521, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$98,065,010 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 governmental net position:

- Continued low cost of debt through the City’s bond rating. Total debt, including the Commission, decreased by \$11,874,242 during the current fiscal year.
- Property tax collection percentage of 99.57%.

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

City of Greenville’s Changes in Net position
Figure 3

	Government Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Charges for services	\$ 11,876,321	\$ 13,606,807	\$ 273,112,799	\$ 263,271,016	\$ 284,989,120	\$ 276,877,823
Operating grants and contributions	3,351,271	3,674,953	1,103,161	1,462,706	4,454,432	5,137,659
Capital grants and contributions	10,968,973	5,912,065	1,782,602	278,005	12,751,575	6,190,070
General Revenues:						
Ad valorem taxes	34,200,382	33,186,541	-	-	34,200,382	33,186,541
Other taxes	14,941,018	14,494,031	-	-	14,941,018	14,494,031
Other	14,356,644	14,333,753	1,159,458	527,948	15,516,102	14,861,701
Total Revenues	89,694,609	85,208,150	277,158,020	265,539,675	366,852,629	350,747,825
Expenses						
General governmental	28,169,833	34,019,203	-	-	28,169,833	34,019,203
Public Safety	28,561,730	27,583,290	-	-	28,561,730	27,583,290
Transportation	8,013,228	6,514,068	-	-	8,013,228	6,514,068
Environmental protection	1,453,541	3,534,046	-	-	1,453,541	3,534,046
Cultural and recreation	9,296,242	4,801,071	-	-	9,296,242	4,801,071
Economic and physical development	11,427,279	12,655,362	-	-	11,427,279	12,655,362
Interest and fees	1,157,600	1,307,228	-	-	1,157,600	1,307,228
Electric	-	-	164,002,308	167,126,502	164,002,308	167,126,502
Water	-	-	17,586,204	17,137,958	17,586,204	17,137,958
Sewer	-	-	20,648,457	19,761,458	20,648,457	19,761,458
Gas	-	-	34,791,088	27,803,263	34,791,088	27,803,263
Public Transportation	-	-	2,693,132	2,376,717	2,693,132	2,376,717
Stormwater Utility	-	-	3,210,392	2,464,903	3,210,392	2,464,903
Sanitation	-	-	6,808,162	6,696,783	6,808,162	6,696,783
Total Expense	88,079,453	90,414,268	249,739,743	243,367,584	337,819,196	333,781,852
Increase in net position before transfers	1,615,156	(5,206,118)	27,418,277	22,172,091	29,033,433	16,965,973
Transfers	6,302,102	6,885,456	(6,302,102)	(6,888,245)	-	(2,789)
Increase in net position	7,917,258	1,679,338	21,116,175	15,283,846	29,033,433	16,963,184
Net position, July 1	196,112,602	201,621,392	392,453,773	377,169,927	588,566,375	578,791,319
Restatement	(30,282,294)	(7,188,128)	(25,237,005)	-	(55,519,299)	(7,188,128)
Beginning of year restated	<u>\$ 165,830,308</u>	<u>\$ 194,433,264</u>	<u>\$ 367,216,768</u>	<u>\$ 377,169,927</u>	<u>\$ 533,047,076</u>	<u>\$ 571,603,191</u>
Net position, June 30	<u>\$ 173,747,566</u>	<u>\$ 196,112,602</u>	<u>\$ 388,332,943</u>	<u>\$ 392,453,773</u>	<u>\$ 562,080,509</u>	<u>\$ 588,566,375</u>

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

Governmental Activities: Governmental activities increased the City's net position by \$7,917,258. Of total net position, governmental activities accounted for \$173,747,566, or 45%. Key elements of this increase are as follows:

- Property tax remained stable for Fiscal Year 2018, increasing 3%. Additionally, Sales tax had a modest increase of 3% in Fiscal Year 2018. The Sales tax increase is directly related to the increased retail establishments within the City limits. Most other revenue remained relatively the same.
- **Business-Type Activities:** Of the \$388,332,943 total net position, the Greenville Utilities Commission has net position of \$375,096,028, or 96.6% as of June 30, 2018. Of this amount, \$97,101,223 (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 41% of total Commission expenses for the fiscal year. Overall, business-type activities increased the City of Greenville's net position by \$21,116,175, of which the Commission contributes 85% of that change. Operating revenues for GUC increased by \$9,008,569 or 4% and total revenues increased by \$10,087,678 or 4%. Operating revenues for Electric increased \$113,265 less than 1% due to market factors. Operating revenues for natural gas increased \$7,747,555 or 27% due to market factors and a colder than average winter. During the year the Water Fund's operating revenues increased \$627,762 or 3.2% and the Sewer fund's operating revenues increased by \$403,366 or 2.2%.

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 \$12,048,199, while total fund balance was \$22,898,787. 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 15.9% of total General Fund expenditures, while total fund balance represents 30.2% 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. As of June 30, 2018, the governmental funds of the City of Greenville reported a combined fund balance of \$43,976,959 which is an eight percent decrease 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 \$12,134,777. When compared to the adjustments proposed last year, this is a 203% increase. The increase is due to the City appropriating available fund balance for capital projects.

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

The General Fund's operational revenues exceeded expenditures by \$4,041,556 (before other financing sources). General Fund total revenues increased 1%. Operational expenditures increased \$3,134,636, or 4.6%. Inclusive of other financing sources and uses, General Fund expenditures exceeded revenues by \$8,522,297, increasing \$7,501,270 from FY 2017's net result.

While the budget amendments for the year amounted to approximately \$12.6 million, actual operating revenues remained within budget by a 1% margin. As mentioned previously, in operational income, Sales tax and Utilities Franchise tax show 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

General Fund expenditures increased 4.6% in comparison to the prior year with most expenditure category variances being less than 5%. The Police Department experienced an increase of 9.2% in expenditures due to the recording of payments to Pitt County in relation to the Red Light Safety Program.

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, 2018, totals \$446,174,978 (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:

- Town Creek Culvert - \$1.91 M
- Warren G. Butterfield Transportation Activity Center – \$5.15 M
- Street Resurfacing - \$1.22 M
- 10th Street Connector \$1.50 M

Utilities Commission major capital asset events included:

- Investment in a new operations center totaling \$2,406,757
- Electric transmission lines extensions and improvements totaling \$1,884,090
- Electric overhead distribution lines extensions and improvements totaling \$933,205
- Electric underground distribution lines extensions and improvements totaling \$4,162,736
- Electric street and area light installations and replacements totaling \$1,040,210
- Water treatment plant improvements totaling \$1,797,841
- Water main improvements and extensions totaling \$2,511,638
- Wastewater treatment plant improvements totaling \$1,715,996
- Major sewer pumping stations improvements totaling \$1,266,319
- Major sewer main extensions and improvements totaling \$1,645,733
- Natural gas main improvements and extensions totaling \$1,110,850

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

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, 2017 are required. The effect on fund balance or net position as of June 30, 2017 is reflected in the Statement of Net Position.

Additional information on the City's capital assets can be found in Note III.A.4. to the financial statements of this report.

City of Greenville's Capital Assets
Figure 4

	Government Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 41,772,725	\$ 40,835,455	\$ 8,375,720	\$ 7,640,320	\$ 50,148,445	\$ 48,475,775
Right-of-Way Easement	9,123,917	8,327,517	119,567	104,071	9,243,484	8,431,588
Construction in Progress	26,495,640	35,844,254	29,724,827	24,435,912	56,220,467	60,280,166
Buildings/Plants	69,725,325	64,758,548	182,190,055	178,019,475	251,915,380	242,778,023
Other Improvements	6,835,970	6,852,970	3,562,298	2,882,388	10,398,268	9,735,358
Intangible	4,202,398	2,740,242	32,798,763	32,672,234	37,001,161	35,412,476
Infrastructure	90,981,943	87,515,036	10,985,865	10,305,251	101,967,808	97,820,287
Machinery and Equipment	20,982,323	19,212,101	4,094,465	3,812,021	25,076,788	23,024,122
Land Rights	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-
Vehicles and Equipment	33,190,228	30,558,799	32,585,593	32,152,484	65,775,821	62,711,283
Distribution Systems	-	-	458,324,815	441,336,372	458,324,815	441,336,372
Transmission Systems	-	-	33,300,938	33,299,399	33,300,938	33,299,399
Subtotal	<u>303,310,469</u>	<u>296,644,922</u>	<u>796,062,906</u>	<u>766,659,927</u>	<u>1,099,373,375</u>	<u>1,063,304,849</u>
Accumulated Depreciation	<u>(112,891,835)</u>	<u>(105,480,758)</u>	<u>(390,908,509)</u>	<u>(370,100,214)</u>	<u>(503,800,344)</u>	<u>(475,580,972)</u>
Capital assets, net	<u>\$ 190,418,634</u>	<u>\$ 191,164,164</u>	<u>\$ 405,154,397</u>	<u>\$ 396,559,713</u>	<u>\$ 595,573,031</u>	<u>\$ 587,723,877</u>

Long-Term Debt: As of June 30, 2018, the City of Greenville had total debt outstanding of \$166,589,645 excluding compensated absences, Local Governmental Employees' Retirement System (LGERS), Other Post-Employment Benefits (OPEB), and Law Enforcement Officers' (LEO) Separation Allowance. Of this, \$34,119,148 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	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 14,665,546	\$ 15,831,616	\$ 3,114,454	\$ 3,493,384	\$ 17,780,000	\$ 19,325,000
Special Obligation (Revenue) Bonds	5,435,000	5,960,000	78,406,800	85,620,599	83,841,800	91,580,599
Installment Purchase Contracts	16,339,148	19,154,430	642,011	801,430	16,981,159	19,955,860
Other Debt (GUC)	-	-	47,986,686	48,236,477	47,986,686	48,236,477
Total	\$ 36,439,694	\$ 40,946,046	\$ 130,149,951	\$ 138,151,890	\$ 166,589,645	\$ 179,097,936

- Total net debt (excluding compensated absences, Local Governmental Employees’ Retirement System (LGERS), Other Post-Employment Benefits (OPEB), and Law Enforcement Officers’ (LEO) Separation Allowance) has decreased by \$12,508,291 during the current fiscal year. The City’s total debt decreased by \$5,044,701 during the current fiscal year.
- As previously mentioned, as of June 30, 2018 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 \$360M. The City has authorized, but unissued, \$7,850,000 of debt as of June 30, 2018.

Additional information regarding the City of Greenville’s long-term debt can be found in Note III.B.6 and III.B.7 to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Budgeting for fiscal year 2019 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 93,107, which represents an increase of 9%.

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 2019, 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 2019 have been decreased to more clearly reflect historical trends and provide more accurate and conservative estimates. At a \$.52 rate, property tax revenues are anticipated to generate roughly 40% of the total General Fund revenues, or \$33,722,500. 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 increase 3.4% from the FY 2018 collections. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2019 budget, a conservative approach has been chosen.

The Utilities Commission service area includes a diverse local economy including a solid manufacturing base, the 3rd largest university in the state and an 861 bed teaching hospital. The Utilities Commission provides services in the Greenville metropolitan statistical area which continues to expand and is experiencing increasing employment and rising wages for workers. The 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 2019 budget is \$7,000,000.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Governmental Activities: The General Fund is the City's primary general government operating fund and is budgeted at \$84,993,936 for FY 19, a 3% increase when compared to the prior year's adopted amount of \$81,888,029. There is no denying that although the economy continues to show some signs of recovery, management had to approach the fiscal year 2019 budget with the same caution as the previous year. Some of the considerations/strategies that were used are as follows:

- Continued emphasis on capital investments and infrastructure improvements
- Strategically shifting existing resources to the most urgent priorities throughout the year

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 2019 Plan included property tax revenues of \$33,722,500. This represents modest growth from the prior year due to population growth. While maintaining the \$.52 rate 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 23% of total General Fund revenues in FY 19. 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 2019 budget, sales tax revenues are projected to be \$19,463,690. Improvements in the economy have continued to impact sales tax with the FY 19 adopted budget anticipating 3.4% growth in revenue. These numbers can be highly impacted by local construction and other factors. Thus, for the FY 2019 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.

Utilities Franchise Tax is budgeted at \$7,000,000, which is \$102,077 or 1.4% lower 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 2019 budget includes a base amount of \$200,000 to cover a contingency plus an additional \$800,000 appropriated within the General Fund and an additional \$379,935 appropriated within Powell Bill in order to complete various road projects and to move forward with the next round of road refurbishments.

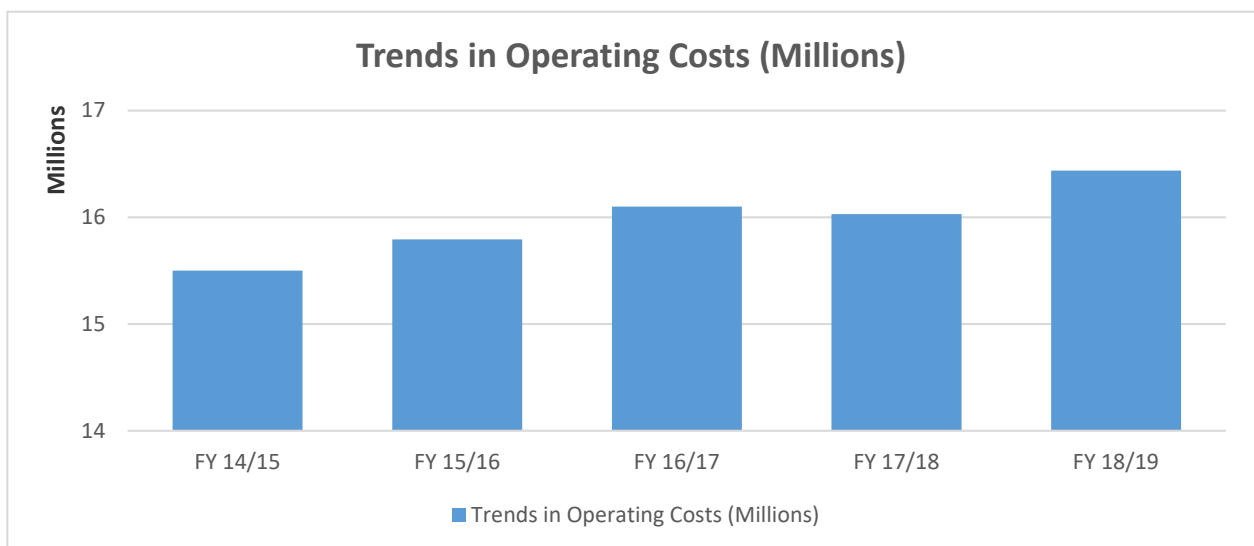
Below are highlights of the City's General Fund expenditures:

- **Personnel**

In the adopted FY 2019 budget, personnel costs (including salaries and fringe benefits) make up almost 64% of the total budget. This budget includes a 2.05% market adjustment for all City employees. The projected personnel budget for FY 2019 is \$54.4 million, a \$1,094,561 increase over the FY 2018 budgeted amount. A 4% vacancy factor was applied to salary costs, which reduces this category's costs by \$2,265,010.

- **Operations**

This category makes up 19.3% of the total budget and represents an increase of 2.5% from FY 2018. For FY 2019, Operating Costs are budgeted at \$16,438,682.



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 2019 was developed anticipating continuing customer growth, a strong local economy and a mix of residential, commercial and industrial customers. 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 \$6,731,296 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 stormwater plan was developed to address stormwater needs citywide. The stormwater utility fees are projected to generate revenues of \$5,882,000.

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 Byron Hayes, the Director of Financial Services at bhayes@greenvillenc.gov.



Basic Financial Statements

FY 2018 Comprehensive Annual Financial Report

CITY OF GREENVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION

Exhibit A

JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 40,597,586	\$ 127,752,185	\$ 168,349,771
Taxes receivable, net	165,083	-	165,083
Accounts receivable, net	7,058,689	29,558,407	36,617,096
Interest receivable	3,798	-	3,798
Due from other governments	3,422,836	2,273,018	5,695,854
Inventories	48,260	7,768,362	7,816,622
Prepaid items	336,998	265,450	602,448
Internal balances	317,649	(317,649)	-
Restricted cash and investments	14,543,081	17,820,728	32,363,809
Notes receivable	-	307,154	307,154
Investment in joint venture	22,033,325	-	22,033,325
Capital assets:			
Non-depreciable	77,392,282	38,220,114	115,612,396
Depreciable, net	<u>113,026,352</u>	<u>366,934,283</u>	<u>479,960,635</u>
Total assets	<u>278,945,939</u>	<u>590,582,052</u>	<u>869,527,991</u>
Deferred Outflows of Resources:			
Pension deferrals	7,460,901	6,289,630	13,750,531
OPEB deferrals	842,240	529,003	1,371,243
Unamortized bond refunding charges	<u>755,565</u>	<u>1,975,021</u>	<u>2,730,586</u>
Total deferred outflows of resources	<u>9,058,706</u>	<u>8,793,654</u>	<u>17,852,360</u>
Liabilities:			
Accounts payable and accrued liabilities	5,382,032	18,775,909	24,157,941
Accrued interest payable	100,098	457,501	557,599
Other liabilities	665,566	-	665,566
Advances from grantors	198,714	-	198,714
Unearned revenue	-	394,481	394,481
Liabilities payable from restricted assets:			
Accounts payable and accrued liabilities	1,325,612	-	1,325,612
Customer deposits	-	4,338,382	4,338,382
Long-term liabilities:			
Due within one year	6,326,557	12,485,186	18,811,743
Due in more than one year	<u>99,109,192</u>	<u>168,248,802</u>	<u>267,357,994</u>
Total liabilities	<u>113,107,771</u>	<u>204,700,261</u>	<u>317,808,032</u>
Deferred Inflows of Resources:			
Pension deferrals	1,144,787	280,097	1,424,884
OPEB deferrals	-	6,062,405	6,062,405
Prepaid taxes	<u>4,521</u>	<u>-</u>	<u>4,521</u>
Total deferred inflows of resources	<u>1,149,308</u>	<u>6,342,502</u>	<u>7,491,810</u>
Net Position:			
Net investment in capital assets	159,150,868	287,024,110	446,174,978
Restricted for:			
Stabilization by State statute	7,714,073	-	7,714,073
Restricted for streets	1,000,869	-	1,000,869
General government	684,464	-	684,464
Economic development	390,041	-	390,041
Public safety	373,719	-	373,719
Cultural and recreational	-	-	-
Debt Service	770,797	-	770,797
Insurance	6,906,558	-	6,906,558
Unrestricted	<u>(3,243,823)</u>	<u>101,308,833</u>	<u>98,065,010</u>
Total net position	<u>\$ 173,747,566</u>	<u>\$ 388,332,943</u>	<u>\$ 562,080,509</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, 2018

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	\$ 28,169,833	\$ 4,223,486	\$ 855,898	\$ -	\$ (23,090,449)	\$ -	\$ (23,090,449)
Public safety	28,561,730	6,349,393	27,767	-	(22,184,570)	-	(22,184,570)
Transportation	8,013,228	36,257	-	2,225,265	(5,751,706)	-	(5,751,706)
Environmental protection	1,453,541	-	-	-	(1,453,541)	-	(1,453,541)
Cultural and recreational	9,296,242	1,248,168	988,389	2,784,548	(4,275,137)	-	(4,275,137)
Economic and physical development	11,427,279	19,017	1,479,217	5,959,160	(3,969,885)	-	(3,969,885)
Interest and fees	1,157,600	-	-	-	(1,157,600)	-	(1,157,600)
Total governmental activities	<u>88,079,453</u>	<u>11,876,321</u>	<u>3,351,271</u>	<u>10,968,973</u>	<u>(61,882,888)</u>	<u>-</u>	<u>(61,882,888)</u>
Business-Type Activities:							
Electric	164,002,308	178,284,434	-	-	-	14,282,126	14,282,126
Water	17,586,204	20,647,164	-	487,951	-	3,548,911	3,548,911
Sewer	20,648,457	23,777,829	-	726,048	-	3,855,420	3,855,420
Gas	34,791,088	36,534,686	-	-	-	1,743,598	1,743,598
Public transportation	2,693,132	251,217	1,103,161	-	-	(1,338,754)	(1,338,754)
Stormwater utility	3,210,392	6,063,956	-	568,603	-	3,422,167	3,422,167
Sanitation	6,808,162	7,553,513	-	-	-	745,351	745,351
Total business-type activities	<u>249,739,743</u>	<u>273,112,799</u>	<u>1,103,161</u>	<u>1,782,602</u>	<u>-</u>	<u>26,258,819</u>	<u>26,258,819</u>
Total primary government	<u>\$337,819,196</u>	<u>\$284,989,120</u>	<u>\$ 4,454,432</u>	<u>\$ 12,751,575</u>	<u>(61,882,888)</u>	<u>26,258,819</u>	<u>(35,624,069)</u>
General Revenues:							
Ad valorem taxes					34,200,382	-	34,200,382
Sales and use taxes					14,941,018	-	14,941,018
Cable TV franchise tax					850,550	-	850,550
Medicaid hold harmless payment					4,176,683	-	4,176,683
Rental vehicle, gross receipts					150,760	-	150,760
Utilities franchise tax					6,846,549	-	6,846,549
Beer and wine tax					386,066	-	386,066
Other taxes and licenses					1,247,703	-	1,247,703
Investment earnings					698,333	1,159,458	1,857,791
Total general revenues					63,498,044	1,159,458	64,657,502
Transfers					6,302,102	(6,302,102)	-
Total general revenues and transfers					69,800,146	(5,142,644)	64,657,502
Change in net position					7,917,258	21,116,175	29,033,433
Net position, beginning of year, as previously reported					196,112,602	392,453,773	588,566,375
Restatement					(30,282,294)	(25,237,005)	(55,519,299)
Net position, beginning of year, as restated					165,830,308	367,216,768	533,047,076
Net position, end of year					<u>\$ 173,747,566</u>	<u>\$ 388,332,943</u>	<u>\$ 562,080,509</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, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 19,799,412	\$ 14,425,459	\$ 34,224,871
Taxes receivable, net	165,083	-	165,083
Accounts receivable, net	2,015,119	4,956,018	6,971,137
Interest receivable	-	3,798	3,798
Due from other funds	1,609,705	98,767	1,708,472
Due from other governments	3,378,469	43,367	3,421,836
Inventories	48,260	-	48,260
Prepaid items	38,750	84,116	122,866
Restricted cash and investments	1,518,820	6,117,703	7,636,523
Total assets	\$ 28,573,618	\$ 25,729,228	\$ 54,302,846
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,583,847	\$ 274,341	\$ 2,858,188
Due to other funds	-	381,211	381,211
Advances from grantors	-	198,714	198,714
Other liabilities	665,566	-	665,566
Restricted accounts payable and accrued liabilities	-	1,325,612	1,325,612
Total liabilities	3,249,413	2,179,878	5,429,291
Deferred Inflows of Resources:			
Property taxes receivable	34,807	-	34,807
Prepaid property taxes	4,521	-	4,521
Other receivables	2,386,090	2,471,178	4,857,268
Total deferred inflows of resources	2,425,418	2,471,178	4,896,596
Fund Balances:			
Nonspendable:			
Prepaid items and inventories	87,010	84,116	171,126
Loans receivable	14,700	715,963	730,663
Restricted:			
Stabilization by State statute	5,799,264	1,914,809	7,714,073
Restricted for general government	144,232	540,232	684,464
Restricted for streets	1,000,869	-	1,000,869
Restricted for public safety	373,719	-	373,719
Restricted for economic development	-	4,806,674	4,806,674
Restricted for debt service	-	770,797	770,797
Committed:			
Committed for catastrophic losses	2,050,859	-	2,050,859
Committed for general government	-	513,859	513,859
Committed for culture and recreational	-	3,713,534	3,713,534
Committed for public safety	-	626,896	626,896
Committed for economic development	-	1,686,403	1,686,403
Committed for capital outlay	-	5,538,794	5,538,794
Committed for debt service	-	25,294	25,294
Assigned:			
Assigned for subsequent year's expenditures	1,379,935	22,618	1,402,553
Assigned for cultural and recreational	-	803,188	803,188
Unassigned	12,048,199	(685,005)	11,363,194
Total fund balance	22,898,787	21,078,172	43,976,959
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,573,618	\$ 25,729,228	\$ 54,302,846

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, 2018

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

Ending fund balance - governmental funds	\$ 43,976,959
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	177,804,008
Investment in joint venture reported in governmental activities is not reported in the funds.	22,033,325
Net LGERS pension liability is not reported in the funds.	(8,982,656)
Deferred outflows of resources related to pensions are not reported in the funds	7,265,704
Deferred outflows of resources related to OPEB are not reported in the funds	816,913
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred outflows of resources.	4,892,075
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.	21,149,583
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(39,990,377)
Total LEOSSA Pension Liabilities	(8,183,588)
Net OPEB Liability	(46,570,340)
Deferred inflows of resources related to pensions are not reported in the funds.	(1,119,527)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	755,565
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(100,078)</u>
Net position of governmental activities	<u>\$ 173,747,566</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, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 34,374,126	\$ -	\$ 34,374,126
Other taxes	20,119,011	1,181,556	21,300,567
Unrestricted intergovernmental	7,298,762	-	7,298,762
Restricted intergovernmental	2,697,062	8,738,235	11,435,297
Licenses, permits, and fees	3,592,849	-	3,592,849
Sales and services	5,576,003	-	5,576,003
Investment earnings	332,301	91,436	423,737
Other revenues	1,051,843	391,619	1,443,462
Total revenues	<u>75,041,957</u>	<u>10,402,846</u>	<u>85,444,803</u>
Expenditures:			
Current:			
General government	11,928,587	246,950	12,175,537
Public safety	40,571,172	61,691	40,632,863
Public works	9,298,479	1,500,000	10,798,479
Environmental protection	-	1,453,541	1,453,541
Cultural and recreational	7,535,695	3,548,200	11,083,895
Economic and physical development	2,688,578	9,979,674	12,668,252
Reimbursement of indirect cost	(1,522,110)	-	(1,522,110)
Contribution to OPEB Trust	500,000	-	500,000
Debt Service:			
Principal retirement	-	4,577,702	4,577,702
Interest and fees	-	1,082,681	1,082,681
Total expenditures	<u>71,000,401</u>	<u>22,450,439</u>	<u>93,450,840</u>
Revenues over (under) expenditures	<u>4,041,556</u>	<u>(12,047,593)</u>	<u>(8,006,037)</u>
Other Financing Sources (Uses):			
Transfers from other funds	6,854,673	18,895,855	25,750,528
Transfers to other funds	<u>(19,418,526)</u>	<u>(2,100,100)</u>	<u>(21,518,626)</u>
Total other financing sources (uses)	<u>(12,563,853)</u>	<u>16,795,755</u>	<u>4,231,902</u>
Net change in fund balance	(8,522,297)	4,748,162	(3,774,135)
Fund Balance:			
Fund balance, beginning of year – July 1	<u>31,421,084</u>	<u>16,330,010</u>	<u>47,751,094</u>
Fund balance, end of year – June 30	<u>\$ 22,898,787</u>	<u>\$ 21,078,172</u>	<u>\$ 43,976,959</u>

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

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, 2018

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	\$ (3,774,135)
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.	7,527,533
Other capital contributions are not reported in the governmental fund statement.	2,784,548
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(5,385,353)
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.	490,014
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(35,066)
Pension expense	(3,058,051)
OPEB plan expense	(1,024,797)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,674,715
Benefit payments paid and administrative expense for the Law Enforcement Officers' Special Separation Allowance, net of related deferred inflows are not included on the Statement of Activities.	224,992
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.	10,165
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.	4,577,702
Loss on disposal of capital assets is reported in the Statement of Activities but not the funds statement.	(215,913)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(120,061)
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.	274,596
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>2,966,369</u>
Changes in net position of governmental activities	<u>\$ 7,917,258</u>

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

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2018

	General Fund			
	Budget		Actual Amounts	Variance Positive/ Negative
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 34,253,457	\$ 34,253,457	\$ 34,374,126	\$ 120,669
Other taxes	19,880,145	19,980,145	20,119,011	138,866
Unrestricted intergovernmental	7,590,418	7,590,418	7,298,762	(291,656)
Restricted intergovernmental	2,681,189	2,809,160	2,697,062	(112,098)
Licenses, permits, and fees	2,500,995	3,976,695	3,592,849	(383,846)
Sales and services	5,146,391	5,147,860	5,576,003	428,143
Investment earnings	500,000	400,000	332,301	(67,699)
Other revenues	1,444,675	1,465,875	1,051,843	(414,032)
Total revenues	<u>73,997,270</u>	<u>75,623,610</u>	<u>75,041,957</u>	<u>(581,653)</u>
Expenditures:				
Current:				
General government	11,514,098	12,321,606	11,928,587	393,019
Public safety	39,331,595	41,735,712	40,571,172	1,164,540
Public works	10,167,223	11,094,044	9,298,479	1,795,565
Cultural and recreational	8,455,782	7,554,592	7,535,695	18,897
Economic and physical development	2,562,292	2,702,946	2,688,578	14,368
Reimbursement of indirect cost	(1,459,519)	(1,459,519)	(1,522,110)	62,591
Contribution to OPEB Trust	500,000	500,000	500,000	-
Total expenditures	<u>71,071,471</u>	<u>74,449,381</u>	<u>71,000,401</u>	<u>3,448,980</u>
Revenues over (under) expenditures	<u>2,925,799</u>	<u>1,174,229</u>	<u>4,041,556</u>	<u>2,867,327</u>
Other Financing Sources (Uses):				
Transfers from other funds	6,712,415	6,770,815	6,854,673	83,858
Transfers to other funds	(10,616,558)	(19,561,925)	(19,418,526)	143,399
Contingency	(200,000)	(11,500)	-	11,500
Appropriated fund balance	1,178,344	11,628,381	-	(11,628,381)
Total other financing sources (uses)	<u>(2,925,799)</u>	<u>(1,174,229)</u>	<u>(12,563,853)</u>	<u>(11,389,624)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(8,522,297)</u>	<u>\$ (8,522,297)</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>31,421,084</u>	
Fund balance, end of year – June 30			<u>\$ 22,898,787</u>	

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

Exhibit G

JUNE 30, 2018

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 49,643,000	\$ 4,365,002	\$ 8,790,341	\$ 15,684,995
Accounts receivable, net	20,758,825	2,251,155	2,562,710	2,290,565
Due from other governments	975,267	224,101	266,585	168,814
Due from other funds	-	-	-	-
Inventories	6,054,880	799,897	216,818	696,767
Restricted cash	3,166,019	737,275	1,397	433,691
Prepaid items	202,480	12,655	12,655	25,310
Total current assets	<u>80,800,471</u>	<u>8,390,085</u>	<u>11,850,506</u>	<u>19,300,142</u>
Noncurrent Assets:				
Cash and cash equivalents, restricted	3,422,159	4,501,560	4,880,317	678,310
Investments	24,827,167	3,240,209	5,079,105	7,507,956
Notes receivable	-	307,154	-	-
Land improvements and construction in progress	15,366,890	4,299,076	11,278,785	4,532,948
Other capital assets, net	94,421,167	84,748,606	138,634,156	39,814,022
Total noncurrent assets	<u>138,037,383</u>	<u>97,096,605</u>	<u>159,872,363</u>	<u>52,533,236</u>
Total assets	<u>218,837,854</u>	<u>105,486,690</u>	<u>171,722,869</u>	<u>71,833,378</u>
Deferred Outflows of Resources:				
Pension deferrals	2,307,329	1,238,079	1,181,803	900,421
OPEB deferrals	183,371	98,394	93,922	71,559
Unamortized bond refunding charges	483,635	699,033	592,114	115,227
Total deferred outflows of resources	<u>2,974,335</u>	<u>2,035,506</u>	<u>1,867,839</u>	<u>1,087,207</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	14,816,955	774,013	762,896	1,533,424
Accrued interest payable	115,927	84,522	208,745	48,307
Due to other funds	91,639	94,219	21,731	11,293
Unearned revenue	179,760	82,541	132,180	-
Current portion of compensated absences	791,566	389,887	409,729	318,047
Current maturities of long-term debt	2,094,742	2,505,450	4,475,165	816,215
Liabilities Payable from Restricted Assets:				
Customer deposits	3,166,019	737,275	1,397	433,691
Total current liabilities	<u>21,256,608</u>	<u>4,667,907</u>	<u>6,011,843</u>	<u>3,160,977</u>
Noncurrent Liabilities:				
Compensated absences payable	129,548	85,730	17,712	119,800
Net pension liability	2,823,785	1,515,202	1,446,329	1,101,965
Net OPEB liability	14,617,717	7,843,653	7,487,123	5,704,475
Noncurrent portion of long-term debt	35,037,301	19,011,354	48,603,971	13,849,288
Total noncurrent liabilities	<u>52,608,351</u>	<u>28,455,939</u>	<u>57,555,135</u>	<u>20,775,528</u>
Total liabilities	<u>73,864,959</u>	<u>33,123,846</u>	<u>63,566,978</u>	<u>23,936,505</u>
Deferred Inflows of Resources:				
Pension deferrals	79,932	42,891	40,941	31,193
OPEB deferrals	2,485,586	1,333,729	1,273,105	969,985
Total deferred inflows of resources	<u>2,565,518</u>	<u>1,376,620</u>	<u>1,314,046</u>	<u>1,001,178</u>
Net Position:				
Net investment in capital assets	76,561,808	70,810,659	100,147,334	30,475,004
Unrestricted	68,819,904	2,211,071	8,562,350	17,507,898
Total net position	<u>\$ 145,381,712</u>	<u>\$ 73,021,730</u>	<u>\$ 108,709,684</u>	<u>\$ 47,982,902</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, 2018

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 8,614,410	\$ 87,097,748	\$ 6,372,715
Accounts receivable, net	1,695,152	29,558,407	87,552
Due from other governments	638,251	2,273,018	1,000
Due from other funds	-	-	58,796
Inventories	-	7,768,362	-
Restricted cash	-	4,338,382	6,906,558
Prepaid items	12,350	265,450	214,132
Total current assets	<u>10,960,163</u>	<u>131,301,367</u>	<u>13,640,753</u>
Noncurrent Assets:			
Cash and cash equivalents, restricted	-	13,482,346	-
Investments	-	40,654,437	-
Notes receivable	-	307,154	-
Land improvements and construction in progress	2,742,415	38,220,114	34,955
Other capital assets, net	9,316,332	366,934,283	12,579,671
Total noncurrent assets	<u>12,058,747</u>	<u>459,598,334</u>	<u>12,614,626</u>
Total assets	<u>23,018,910</u>	<u>590,899,701</u>	<u>26,255,379</u>
Deferred Outflows of Resources:			
Pension deferrals	661,998	6,289,630	195,197
OPEB deferrals	81,757	529,003	25,327
Unamortized bond refunding charges	85,012	1,975,021	-
Total deferred outflows of resources	<u>828,767</u>	<u>8,793,654</u>	<u>220,524</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	888,621	18,775,909	2,523,844
Accrued interest payable	-	457,501	-
Due to other funds	98,767	317,649	1,068,408
Unearned revenue	-	394,481	-
Current portion of compensated absences	152,160	2,061,389	-
Current maturities of long-term debt	532,225	10,423,797	-
Liabilities Payable from Restricted Assets:			
Customer deposits	-	4,338,382	-
Total current liabilities	<u>1,671,773</u>	<u>36,769,108</u>	<u>3,592,252</u>
Noncurrent Liabilities:			
Compensated absences payable	75,549	428,339	-
Net pension liability	893,258	7,780,539	264,969
Net OPEB liability	4,660,802	40,313,770	1,443,839
Noncurrent portion of long-term debt	3,224,240	119,726,154	-
Total noncurrent liabilities	<u>8,853,849</u>	<u>168,248,802</u>	<u>1,708,808</u>
Total liabilities	<u>10,525,622</u>	<u>205,017,910</u>	<u>5,301,060</u>
Deferred Inflows of Resources:			
Pension deferrals	85,140	280,097	25,260
OPEB deferrals	-	6,062,405	-
Total deferred inflows of resources	<u>85,140</u>	<u>6,342,502</u>	<u>25,260</u>
Net Position:			
Net investment in capital assets	9,029,305	287,024,110	12,579,671
Unrestricted	4,207,610	101,308,833	8,569,912
Total net position	<u>\$ 13,236,915</u>	<u>\$ 388,332,943</u>	<u>\$ 21,149,583</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, 2018

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Operating Revenues:				
Charges for services	\$ 175,344,783	\$ 19,963,056	\$ 22,988,915	\$ 36,272,694
Other operating revenues	581,463	111,896	124,065	105,347
Total operating revenues	<u>175,926,246</u>	<u>20,074,952</u>	<u>23,112,980</u>	<u>36,378,041</u>
Operating Expenses:				
Administrative and general	10,572,599	3,793,341	3,711,440	3,633,001
Operations and maintenance	15,434,020	9,043,686	9,107,287	5,882,322
Purchased power and gas	127,069,600	-	-	22,587,629
Depreciation and amortization	9,022,087	3,943,788	6,251,534	2,186,469
Claims and payments to third-party administrators				
Total operating expenses	<u>162,098,306</u>	<u>16,780,815</u>	<u>19,070,261</u>	<u>34,289,421</u>
Operating income (loss)	<u>13,827,940</u>	<u>3,294,137</u>	<u>4,042,719</u>	<u>2,088,620</u>
Nonoperating Revenues (Expenses):				
Investment earnings	675,901	124,743	164,929	193,878
Federal grants	-	-	-	-
Other nonoperating revenues	2,358,188	572,212	664,849	156,645
Other nonoperating expenses	(636,741)	-	-	-
Interest expense	(1,267,261)	(805,389)	(1,578,196)	(501,667)
Loss on disposal of capital assets				
Total nonoperating revenues (expenses)	<u>1,130,087</u>	<u>(108,434)</u>	<u>(748,418)</u>	<u>(151,144)</u>
Income (loss) before transfers and contributions	<u>14,958,027</u>	<u>3,185,703</u>	<u>3,294,301</u>	<u>1,937,476</u>
Transfers In (Out) and Capital Contributions:				
Capital contributions	-	487,951	726,048	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(5,002,127)	-	-	(1,598,656)
Total transfers in (out) and capital contributions:	<u>(5,002,127)</u>	<u>487,951</u>	<u>726,048</u>	<u>(1,598,656)</u>
Change in net position	<u>9,955,900</u>	<u>3,673,654</u>	<u>4,020,349</u>	<u>338,820</u>
Net Position:				
Beginning of year – July 1	146,603,928	73,542,171	106,427,131	52,352,837
Restatement	(11,178,116)	(4,194,095)	(1,737,796)	(4,708,755)
Beginning of year – restated	<u>135,425,812</u>	<u>69,348,076</u>	<u>104,689,335</u>	<u>47,644,082</u>
End of year – June 30	<u>\$ 145,381,712</u>	<u>\$ 73,021,730</u>	<u>\$ 108,709,684</u>	<u>\$ 47,982,902</u>

CITY OF GREENVILLE, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION

Exhibit H

YEAR ENDED JUNE 30, 2018

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:			
Charges for services	\$ 13,782,326	\$ 268,351,774	\$ 20,643,827
Other operating revenues	86,360	1,009,131	163,942
Total operating revenues	<u>13,868,686</u>	<u>269,360,905</u>	<u>20,807,769</u>
Operating Expenses:			
Administrative and general	104,607	21,814,988	884,539
Operations and maintenance	12,332,085	51,799,400	5,733,876
Purchased power and gas	-	149,657,229	-
Depreciation and amortization	224,049	21,627,927	2,453,376
Claims and payments to third-party administrators	-	-	10,839,809
Total operating expenses	<u>12,660,741</u>	<u>244,899,544</u>	<u>19,911,600</u>
Operating income (loss)	<u>1,207,945</u>	<u>24,461,361</u>	<u>896,169</u>
Nonoperating Revenues (Expenses):			
Investment earnings	7	1,159,458	-
Federal grants	1,103,161	1,103,161	-
Other nonoperating revenues	-	3,751,894	-
Other nonoperating expenses	-	(636,741)	-
Interest expense	(50,945)	(4,203,458)	-
Loss on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>1,052,223</u>	<u>1,174,314</u>	<u>-</u>
Income (loss) before transfers and contributions	<u>2,260,168</u>	<u>25,635,675</u>	<u>896,169</u>
Transfers In (Out) and Capital Contributions:			
Capital contributions	568,603	1,782,602	-
Transfers from other funds	702,471	702,471	2,070,200
Transfers to other funds	(403,790)	(7,004,573)	-
Total transfers in (out) and capital contributions:	<u>867,284</u>	<u>(4,519,500)</u>	<u>2,070,200</u>
Change in net position	<u>3,127,452</u>	<u>21,116,175</u>	<u>2,966,369</u>
Net Position:			
Beginning of year – July 1	13,527,706	392,453,773	18,847,856
Restatement	(3,418,243)	(25,237,005)	(664,642)
Beginning of year – restated	<u>10,109,463</u>	<u>367,216,768</u>	<u>18,183,214</u>
End of year – June 30	<u>\$ 13,236,915</u>	<u>\$ 388,332,943</u>	<u>\$ 21,149,583</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, 2018

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Cash Flows from Operating Activities:				
Cash received from customers	\$ 174,425,658	\$ 20,016,927	\$ 22,989,082	\$ 35,976,790
Other operating receipts	3,623,842	379,116	110,471	168,894
Cash paid to vendors	(141,648,158)	(6,873,257)	(6,911,256)	(27,114,380)
Cash paid to employees	(11,449,289)	(6,016,386)	(5,851,812)	(4,969,318)
Payments received on loans	-	37,504	-	-
Net cash provided by operating activities	<u>24,952,053</u>	<u>7,543,904</u>	<u>10,336,485</u>	<u>4,061,986</u>
Cash Flows from Noncapital Financing Activities:				
Repayment of principal of long-term debt	-	-	-	-
Interest and other financing costs	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(4,999,063)	-	-	(1,598,656)
Noncapital contributions	362,573	102,201	122,754	89,426
Repayments (to)/from other funds	-	-	-	-
Federal and State grants	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(4,636,490)</u>	<u>102,201</u>	<u>122,754</u>	<u>(1,509,230)</u>
Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(11,382,995)	(2,907,902)	(5,174,106)	(2,190,002)
Capital grants/cash capital contributions	-	-	14,295	-
Capital related receipts from customers	-	341,125	511,570	-
Proceeds from issuance of long-term debt	-	-	2,926,318	-
Debt issuance costs	-	(23,529)	-	-
Repayment of principal of long-term debt	(1,738,006)	(2,596,969)	(4,782,131)	(845,665)
Interest and other debt related expenses	(1,351,607)	(827,716)	(1,612,482)	(528,868)
Net cash used by capital and related financing activities	<u>(14,472,608)</u>	<u>(6,014,991)</u>	<u>(8,116,536)</u>	<u>(3,564,535)</u>
Cash Flow from Investing Activities:				
Purchase of investments	(15,669,601)	(2,175,463)	(3,577,183)	(3,581,055)
Proceeds from sale and maturity of investments	5,225,175	726,218	1,195,130	1,186,811
Interest received on investments	724,887	131,137	174,944	208,766
Net cash provided (used) by investing activities	<u>(9,719,539)</u>	<u>(1,318,108)</u>	<u>(2,207,109)</u>	<u>(2,185,478)</u>
Net increase (decrease) in cash and cash equivalents	(3,876,584)	313,006	135,594	(3,197,257)
Cash and Cash Equivalents:				
Beginning of year – July 1	<u>60,107,762</u>	<u>9,290,831</u>	<u>13,536,461</u>	<u>19,994,253</u>
End of year – June 30	<u>\$ 56,231,178</u>	<u>\$ 9,603,837</u>	<u>\$ 13,672,055</u>	<u>\$ 16,796,996</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, 2018

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 13,827,940	\$ 3,294,137	\$ 4,042,719	\$ 2,088,620
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	9,022,087	3,943,788	6,251,534	2,186,469
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(748,305)	99,876	(152,359)	(446,801)
(Increase) decrease in notes receivable	-	37,504	-	-
(Increase) decrease in due from other governments	712,109	64,257	122,015	124,789
Change in due to/from other funds	19,231	(92,121)	(19,636)	3,985
(Increase) decrease in inventories	(774,990)	(29,870)	9,308	(122,220)
(Increase) decrease in prepaids	(105,072)	(9,498)	(9,498)	(18,312)
Increase (decrease) in net pension liability	(1,025,791)	(550,424)	(525,405)	(400,309)
(Increase) decrease in deferred inflow of resources for pensions	(54,961)	(29,491)	(28,151)	(21,448)
(Increase) decrease in deferred inflow of resources for OPEB	2,485,586	1,333,729	1,273,105	969,985
Increase (decrease) in deferred outflow of resources for pensions	1,107,068	594,036	567,034	432,027
Increase (decrease) in deferred outflow of resources for OPEB	(183,371)	(98,394)	(93,922)	(71,559)
Increase (decrease) in accounts payable	1,533,892	122,491	145,164	176,578
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in customer deposits	163,835	38,143	72	22,437
Increase (decrease) in compensated absences payable	20,437	(1,772)	(29,733)	9,654
Increase (decrease) in net OPEB liability	(2,406,517)	(1,291,302)	(1,232,606)	(939,128)
Increase (decrease) in unearned revenue	-	(10,070)	(13,680)	-
Miscellaneous income	1,358,875	128,885	30,524	67,219
Net cash provided by operating activities	<u>\$ 24,952,053</u>	<u>\$ 7,543,904</u>	<u>\$ 10,336,485</u>	<u>\$ 4,061,986</u>
Noncash Investing, Capital, and Financing Activities:				
Capital contribution				
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and investments, unrestricted	\$ 49,643,000	\$ 4,365,002	\$ 8,790,341	\$ 15,684,995
Cash and investments, restricted	6,588,178	5,238,835	4,881,714	1,112,001
Total cash and cash equivalents	<u>\$ 56,231,178</u>	<u>\$ 9,603,837</u>	<u>\$ 13,672,055</u>	<u>\$ 16,796,996</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, 2018

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 13,472,249	\$ 266,880,706	\$ 21,167,127
Other operating receipts	-	4,282,323	-
Cash paid to vendors	(6,217,413)	(188,764,464)	(15,649,515)
Cash paid to employees	(5,445,649)	(33,732,454)	(1,587,181)
Payments received on loans	-	37,504	-
Net cash provided by operating activities	<u>1,809,187</u>	<u>48,703,615</u>	<u>3,930,431</u>
Cash Flows from Noncapital Financing Activities:			
Repayment of principal of long-term debt	(159,419)	(159,419)	-
Interest and other financing costs	(17,917)	(17,917)	-
Transfers from other funds	702,471	702,471	2,070,200
Transfers to other funds	(403,790)	(7,001,509)	-
Noncapital contributions	-	676,954	-
Repayments (to)/from other funds	120,223	120,223	81,248
Federal and State grants	1,103,161	1,103,161	-
Net cash provided (used) by noncapital financing activities	<u>1,344,729</u>	<u>(4,576,036)</u>	<u>2,151,448</u>
Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,589,760)	(23,244,765)	(2,145,374)
Capital grants/cash capital contributions	-	14,295	-
Capital related receipts from customers	-	852,695	-
Proceeds from issuance of long-term debt	-	2,926,318	-
Debt issuance costs	-	(23,529)	-
Repayment of principal of long-term debt	(378,930)	(10,341,701)	-
Interest and other debt related expenses	(40,875)	(4,361,548)	-
Net cash used by capital and related financing activities	<u>(2,009,565)</u>	<u>(34,178,235)</u>	<u>(2,145,374)</u>
Cash Flow from Investing Activities:			
Purchase of investments	-	(25,003,302)	-
Proceeds from sale and maturity of investments	-	8,333,334	-
Interest received on investments	7	1,239,741	-
Net cash provided (used) by investing activities	<u>7</u>	<u>(15,430,227)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,144,358	(5,480,883)	3,936,505
Cash and Cash Equivalents:			
Beginning of year – July 1	<u>7,470,052</u>	<u>110,399,359</u>	<u>9,342,768</u>
End of year – June 30	<u>\$ 8,614,410</u>	<u>\$ 104,918,476</u>	<u>\$ 13,279,273</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, 2018

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 1,207,945	\$ 24,461,361	\$ 896,169
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	224,049	21,627,927	2,453,376
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(129,480)	(1,377,069)	212,247
(Increase) decrease in notes receivable	-	37,504	-
(Increase) decrease in due from other governments	(266,957)	756,213	-
Change in due to/from other funds	-	(88,541)	-
(Increase) decrease in inventories	-	(917,772)	-
(Increase) decrease in prepaids	-	(142,380)	(79,700)
Increase (decrease) in net pension liability	(365,951)	(2,867,880)	(113,365)
(Increase) decrease in deferred inflow of resources for pensions	(34,359)	(168,410)	(10,644)
(Increase) decrease in deferred inflow of resources for OPEB	-	6,062,405	-
Increase (decrease) in deferred outflow of resources for pensions	396,858	3,097,023	122,940
Increase (decrease) in deferred outflow of resources for OPEB	(81,757)	(529,003)	(25,327)
Increase (decrease) in accounts payable	653,848	2,631,973	417,636
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in customer deposits	-	224,487	-
Increase (decrease) in compensated absences payable	20,672	19,258	-
Increase (decrease) in net OPEB liability	184,319	(5,685,234)	57,099
Increase (decrease) in unearned revenue	-	(23,750)	-
Miscellaneous income	-	1,585,503	-
Net cash provided by operating activities	<u>\$ 1,809,187</u>	<u>\$ 48,703,615</u>	<u>\$ 3,930,431</u>
Noncash Investing, Capital, and Financing Activities:			
Capital contribution	\$ 568,603	\$ 568,603	\$ -
Total noncash investing, capital, and financing activities	<u>\$ 568,603</u>	<u>\$ 568,603</u>	<u>\$ -</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments, unrestricted	\$ 8,614,410	\$ 87,097,748	\$ 6,372,715
Cash and investments, restricted	-	17,820,728	6,906,558
Total cash and cash equivalents	<u>\$ 8,614,410</u>	<u>\$ 104,918,476</u>	<u>\$ 13,279,273</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, 2018

	Pension Trust Funds
Assets:	
Restricted assets	
Cash and cash equivalents	\$ 4,137,690
Investments:	
BlackRock MSCI ACWI EQ Index Non-lendable Fund	3,738,737
NC Non Pension Fixed Income	<u>832,054</u>
Restricted cash and cash equivalents	<u>\$ 8,708,481</u>
Liabilities	
Accounts payable	<u>\$ 5,619</u>
Net Position:	
Net position restricted for postemployment benefits other than pensions	<u>\$ 8,702,862</u>

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

Exhibit K

YEAR ENDED JUNE 30, 2018

	Pension Trust Funds
Additions:	
Employer contributions	\$ 4,548,971
Total contributions	<u>4,548,971</u>
Investment income:	
Interest	61,486
Net appreciation in fair value of investments	358,056
Less investment expense	(813)
Net investment income	<u>418,729</u>
Total additions	<u>4,967,700</u>
Deductions:	
Benefits	<u>3,548,971</u>
Total deductions	<u>3,548,971</u>
Change in net position	1,418,729
Net position restricted for postemployment benefits other than pensions:	
Net position, beginning of year	<u>7,284,133</u>
Net position, ending of year	<u>\$ 8,702,862</u>

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



Notes to Financial Statements

FY 2018 Comprehensive
Annual Financial Report

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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 93,107. 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 nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other nonoperating revenues are ancillary activities such as investment earnings.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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 Operating Fund. This fund is used to account for the operation of providing power to residents.

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

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

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

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

Nonmajor Enterprise Funds. The nonmajor enterprise funds are used to account for the operation of providing various City services to residents. The City maintains three nonmajor enterprise funds: Public Transportation Fund, Stormwater Utility Fund (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 five special revenue funds: the Community Development and HOME Fund, Sheppard Memorial Library Fund, Housing Trust Fund, Centralized Grant Project Fund and FEMA Fund.

Capital Projects Funds. The capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). As of June 30, 2018, 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, Street Improvement Capital Projects Fund, Community Development Capital Projects Fund, Information Technology Capital Projects Fund, Police Capital Projects Fund, and Capital Reserve Fund. During fiscal year 2017, the Fire and Rescue Capital Projects Fund was dormant after completion of a project in a previous fiscal year. The fund remains available for new projects as they are identified.

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: Vehicle Replacement Fund, Health Insurance Fund, Fleet Maintenance Fund, and Facility Improvement Fund.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

Fiduciary Funds. Fiduciary funds account for the assets held by the City and Commission in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary funds include the following funds:

Pension Trust Funds. The pension trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit postemployment benefits plans. The City maintains the North Carolina OPEB Trust Fund (City) to account for all contributions to the State-managed Other Postemployment Benefits Trust Fund. Funds are placed in the irrevocable trust for retiree health benefits. The Commission maintains the Other Postemployment Benefits (OPEB) Trust Fund (Commission) to account for the Commission's contributions for healthcare benefits provided to qualified retirees.

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, 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 nonoperating 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 nonoperating 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, 2018

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 Funds. The enterprise projects funds are consolidated with their respective operating fund for reporting purposes. The internal service funds operate under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds, the project level for capital projects funds, and the fund level for the remaining 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, 2018

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-Government 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 his 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 Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8). Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is also valued at \$1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund was priced at \$21.2727 per share at June 30, 2018.

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. For purposes of the statement of cash flows, the commission considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Investments, as presented in the financial statements, consist of securities authorized by State law with an original maturity greater than three months.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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. 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. 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. Cash and investments in the Other Postemployment Benefits trust funds are considered restricted because they can only be used to pay other postemployment benefit obligations.

Governmental Activities:

Cash:

General Fund:

General government	\$ 144,232
Streets	1,000,869
Public safety	373,719

Nonmajor Governmental funds:

Economic and physical development	-
Debt service	770,797
Unexpended debt proceeds	4,416,633
Unexpended grant proceeds	930,273

Internal Service Fund:

Self-insurance	6,906,558
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Total Governmental Activities	\$ 14,543,081
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Business-Type Activities:

Cash:

Greenville Utilities Commission:

Customer deposits	\$ 4,338,382
Unexpended bond proceeds	9,402,632
Unexpended capacity fees	4,079,714

Total Business-Type Activities	\$ 17,820,728
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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, 2017. 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, 2018

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 major and nonmajor 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. As discussed in Note II below, in regard to GASB Standard 89, interest expense is no longer capitalized on business-type construction in progress to the extent that it exceeds income because the City and Commission elected to implement this standard in the fiscal year ended June 30, 2018.

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	10 - 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, 2018

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 has three items that qualify for reporting in this category – pension deferrals for the 2018 fiscal year, OPEB deferrals for the 2018 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 three items that qualify for reporting in this category – prepaid taxes, property taxes receivable, and pension deferrals. The Commission also has OPEB deferrals.

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, 2018

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].

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

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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 Council has authority to assign fund balance by any action lesser than an ordinance as a function of its position as governing body. Additionally, certain elements of the Sheppard Memorial Library Fund fund balance are identified as "assigned" as a function of the budget process and results of operations. The City's assigned fund balance consists of the following:

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

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

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

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

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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	\$ 22,898,787
Less:	
Inventories	48,260
Prepaid items	38,750
Loans receivable	14,700
Stabilization by State statute	5,799,264
Restricted for general government	144,232
Restricted for streets	1,000,869
Restricted for public safety	373,719
Committed for catastrophic losses	2,050,859
Assigned for subsequent year's expenditures	1,379,935
Total available fund balance	<u>\$ 12,048,199</u>

The City of Greenville has \$1,040,581 of outstanding encumbrances in the General Fund as of June 30, 2018, which represents amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

13. Defined Benefit Pension and OPEB Plans

The City and Commission participate in a cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State, the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

For purposes of measuring the Law Enforcement Officers Special Separation Allowance ("LEOSSA") total pension liabilities, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, have been determined on the actuarial basis as described in Note III.B.1.b. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due, and the City has a legal requirement to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of LEOSSA. The LEOSSA plan is unfunded.

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The City and Commission each participate in separate single-employer defined benefit postemployment benefit (OPEB) plans: The OPEB Plan (City) and the OPEB Plan (Commission). For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB and OPEB expense, information about the fiduciary net positions of the plans and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, the OPEB plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments for both plans are reported at fair value.

14. Deficit in Fund Balance of Individual Funds

The nonmajor Sanitation Enterprise Fund is reporting a net position deficit of \$538,791 as of June 30, 2018. This is primarily a result of implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, which changes the calculation of the net OPEB liability and required a reduction of \$1,457,978 in beginning net position. Additionally, a planned change in fees for fiscal year 2018 resulted in a temporary reduction in revenues. The City has plans for changes in fees in future years which are expected to reverse the deficit over time.

15. Excess of Expenditures over Appropriations

The City did not amend the budget to account for the first street and pedestrian bond payment, which caused the Debt Service Fund to be over budget. However, management ensured that it was added to the current and future year Debt Service Fund budgets.

II. Pronouncements Issued But Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2018 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. 83, "Certain Asset Retirement Obligations". This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84, "Fiduciary Activities". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement 86, "Certain Debt Extinguishment Issues". The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

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GASB Statement No. 87, "Leases". The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The objective of this statement is to improve consistency in the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. Earlier application is encouraged. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Early application is encouraged. Both the City and the Commission elected to implement this standard in the fiscal year ending June 30, 2018.

GASB Statement No. 90, "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61". The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

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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, 2018, the City's deposits had a carrying amount of \$5,568,596 and a bank balance of \$7,448,114. Of the bank balance, \$1,645,188 was covered by Federal depository insurance, and the remainder of \$5,802,926 was covered by collateral held under the pooling method. The City's deposits include checking accounts, money market accounts, and \$1,066,921 in certificates of deposit which are reported as short-term investments. The City's cash on hand at June 30, 2018 consisted of various petty cash funds totaling \$27,927.

At June 30, 2018, the Commission's deposits had a carrying amount of \$45,238,785 and a bank balance of \$44,472,841. Of the bank balance, \$2,750,100 was covered by Federal depository insurance, and \$41,722,741 was covered by collateral held under the pooling method. The Commission's deposits include checking accounts, savings accounts, money market accounts, and \$7,508,082 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, 2018 consisted of various petty cash funds totaling \$6,700.

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2. Investments

At June 30, 2018, 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	\$ 1,066,921	\$ -	\$ 1,066,921	\$ -
NC Capital Management Trust - Government Portfolio	Amortized Cost	9,415,959	9,415,959	-	-
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	22,078,112	22,078,112	-	-
U.S. Treasuries	Fair Value Level 1	5,013,352	-	-	5,013,352
Government Municipal Bond	Fair Value Level 1	2,471,750	-	966,052	1,505,698
U.S. Government Agency - FHLB	Fair Value Level 2	659,878	-	-	659,878
U.S. Government Agency - FHLMC	Fair Value Level 2	6,182,012	-	-	6,182,012
U.S. Government Agency - FNMA	Fair Value Level 2	12,337,491	-	1,441,049	10,896,442
Total Investments		\$ 59,225,475	\$ 31,494,071	\$ 3,474,022	\$ 24,257,382

At June 30, 2018, 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	\$ 7,508,082	\$ 7,008,082	\$ 500,000	\$ -
U.S. Government Agencies	Fair Value Level 1	33,138,263	6,984,639	7,938,305	18,215,319
U.S. Treasury Bills	Fair Value Level 1	3,492,304	3,492,304	-	-
NC Capital Management Trust - Government Portfolio	Amortized Cost	20,719,374	20,719,374	-	-
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	35,524,912	35,524,912	-	-
Total Investments		\$ 100,382,935	\$ 73,729,311	\$ 8,438,305	\$ 18,215,319

* 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. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

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.

Interest Rate Risk (Commission). As a means of limiting its exposure to fair value losses arising from rising interest rates, the Commission's investment policy limits investments with maturities exceeding three years to U.S. Treasuries, U.S. Agencies, and Instrumentalities unless expressly approved by the Commission Board. Also, the 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.

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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 in 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 U.S. 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 AAA by Standard and Poor's and Aaa by Moody's Investors Service. The investment in Federal National Mortgage Association are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018. 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.

Credit Risk (Commission). The Commission's investment policy limits the securities available for purchase to the following: U.S. Treasuries, U.S. Agencies, NC Capital Management Trust; Money Market Accounts; Certificates of Deposit; Banker's Acceptances; Commercial Paper; and North Carolina and Local Government Securities with AAA rating or better. The Commission's investment policy expressly prohibits investment in: repurchase agreements, commingled investment pools established by NC G.S 160-A-464; participating shares in a mutual fund for local government and evidences of ownership of future interest and principal payments of direct obligations of the U.S. government. The Commission's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018. The Commission'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. The Commission's investment in U.S. Government Agencies, which include Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association, are rated AAA by Standard & Poor's and Aaa by Moody's Investors Services.

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>
Government-Municipal Bond	2,471,750	9.3%
Federal Home Loan Mortgage Corporation	6,182,012	23.2%
Federal National Mortgage Association	12,337,492	46.3%

Concentration of Credit Risk (Commission). The Commission's investment policy limits the amount of the total portfolio that can be invested in any one type of investment to the following percentages: U.S. Treasuries – 100%; U.S. Agencies – 100%; Capital Management Trust – 100%; Money Market Accounts – 100%; Certificates of Deposit – 70%; Banker's Acceptances – 45%; Commercial Paper – 50%; and North Carolina 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, 2018, the City's OPEB Trust Fund had \$4,814,982 invested in the State Treasurer's Local Government Other Postemployment Benefits ("OPEB") Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long- 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) 58.01%; State Treasurer's Bond Index Fund ("BIF") 10.69%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 31.30% (with 100% in domestic 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 STIF is unrated and had a weighted average maturity of 1.4 years at June 30, 2018. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.24 years at June 30, 2018.

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 term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

OPEB Trust Fund (Commission). At June 30, 2018, the Commission OPEB Trust had \$3,893,499 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long- 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 STIF 35%; State Treasurer's BIF 8%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 57% (the equities were split with 53.7% in domestic securities and 46.3% 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 STIF is unrated and had a weighted average maturity of 1.4 years at June 30, 2018. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.24 years at June 30, 2018.

Credit Risk (Commission OPEB). The Commission does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The State Treasurer's STIF is unrated and authorized under North Carolina General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short- to intermediate-term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under North Carolina General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

Level of the Fair Value Hierarchy for OPEB Investments (City and Commission). Ownership of the STIF is determined on a fair market valuation basis as of fiscal year-end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2018 of 1.4 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.24 years at June 30, 2018.

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The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2018 the fair value of the funds was \$21.272653 per share. Fair value for this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique. North Carolina Department of State Treasurer OPEB Trust 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.

Reconciliation of footnote to basic financial statements:

	<u>City</u>	<u>Commission</u>	<u>Total</u>
Total per Footnote:			
Investments	\$ 58,158,554	\$ 92,874,853	\$ 151,033,407
Investments - OPEB Trust Fund	4,814,982	3,893,499	8,708,481
Cash	4,501,675	36,568,868	41,070,543
Certificates of deposit	1,066,921	7,508,082	8,575,003
Petty cash	27,927	6,700	34,627
Total	<u>\$ 68,570,059</u>	<u>\$ 140,852,002</u>	<u>\$ 209,422,061</u>

Total per Statement of Net Assets:

Cash and investments - unrestricted	\$ 168,349,771
Cash and investments - restricted	32,363,809
Fiduciary funds	8,708,481
	<u>\$ 209,422,061</u>

3. Receivables – Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2018 were as follows:

	<u>Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Governmental Activities:			
Taxes receivable	\$ 616,517	\$ 451,434	\$ 165,083
Accounts receivable:			
Rescue fees receivable	3,809,512	1,904,756	1,904,756
Lot cutting fees receivable	14,644	-	14,644
Parking violations receivable	234,015	17,690	216,325
Loans receivable	754,141	-	754,141
Other receivables	4,935,264	766,441	4,168,823
Due from other governments	3,422,836	-	3,422,836
Total governmental activities	<u>\$ 13,786,929</u>	<u>\$ 3,140,321</u>	<u>\$ 10,646,608</u>
Business-Type Activities:			
Greenville Utilities Commission	\$ 33,402,515	\$ 5,539,260	\$ 27,863,255
Other nonmajor enterprise	2,311,932	616,780	1,695,152
Due from other governments	2,273,018	-	2,273,018
Total business-type activities	<u>\$ 37,987,465</u>	<u>\$ 6,156,040</u>	<u>\$ 31,831,425</u>

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The Commission has entered into an agreement to supply supplemental water to Stokes Regional Water Corporation (SRWC). The agreement required the Commission to construct a water transmission main to connect with SRWC and to finance a portion of the project's cost. At the end of the fiscal year, the note receivable due from SRWC was \$307,154; payable in monthly installments for 15 years at a 5.25% interest rate.

4. Capital Assets

Primary Government.

Capital asset activity for the primary government for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	(1) Adjustments	Adjusted June 30, 2017	Additions	Deletions	Transfers/CIP	Balance June 30, 2018
Governmental Activities							
Capital Assets Not Being Depreciated:							
Land	\$ 40,835,455	\$ 47,173	\$ 40,882,628	\$ -	\$ (63,623)	\$ 953,720	\$ 41,772,725
Right-of-way easements	8,327,517	-	8,327,517	880,000	(83,600)	-	9,123,917
Construction in progress	35,844,254	(5,667,366)	30,176,888	4,770,347	-	(8,486,550)	26,460,685
Total capital assets not being depreciated	85,007,226	(5,620,193)	79,387,033	5,650,347	(147,223)	(7,532,830)	77,357,327
Capital Assets Being Depreciated:							
Buildings	63,855,386	-	63,855,386	-	(108,714)	5,075,491	68,822,163
Improvements	6,767,759	-	6,767,759	-	(17,000)	-	6,750,759
Intangible	2,740,242	-	2,740,242	-	-	1,462,156	4,202,398
Infrastructure	87,515,036	482,981	87,998,017	3,224,426	(240,500)	-	90,981,943
Vehicles	4,634,984	-	4,634,984	866,989	(354,608)	-	5,147,365
Machinery and equipment	17,265,041	-	17,265,041	570,319	(5,500)	995,183	18,825,043
Total capital assets being depreciated	182,778,448	482,981	183,261,429	4,661,734	(726,322)	7,532,830	194,729,671
Less Accumulated Depreciation for:							
Buildings	(34,758,173)	-	(34,758,173)	(1,815,361)	108,714	-	(36,464,820)
Improvements	(6,014,717)	-	(6,014,717)	(246,349)	17,000	-	(6,244,066)
Intangible	(2,681,089)	(292,431)	(2,973,520)	(321,546)	-	-	(3,295,066)
Infrastructure	(26,095,108)	(440,798)	(26,535,906)	(1,750,276)	173,160	-	(28,113,022)
Vehicles	(4,554,350)	-	(4,554,350)	(73,226)	353,258	-	(4,274,318)
Machinery and equipment	(14,718,604)	-	(14,718,604)	(1,178,594)	5,500	-	(15,891,698)
Total accumulated depreciation	(88,822,041)	(733,229)	(89,555,270)	(5,385,352)	657,632	-	(94,282,990)
Total capital assets being depreciated, net	93,956,407	(250,248)	93,706,159	(723,618)	(68,690)	7,532,830	100,446,681
Governmental activities capital assets, net	\$ 178,963,633	\$ (5,870,441)	\$ 173,093,192	\$ 4,926,729	\$ (215,913)	\$ -	\$ 177,804,008
Internal Service Fund:							
(reported in Governmental Activities)							
Capital Assets Not Being Depreciated:							
Construction in progress	\$ -	\$ 722,098	\$ 722,098	\$ -	\$ -	\$ (687,143)	\$ 34,955
Total capital assets not being depreciated	-	722,098	722,098	-	-	(687,143)	34,955
Capital Assets Being Depreciated:							
Building	903,162	-	903,162	-	-	-	903,162
Vehicles	25,923,815	-	25,923,815	1,935,154	(503,249)	687,143	28,042,863
Machinery and equipment	1,947,060	-	1,947,060	210,220	-	-	2,157,280
Improvements	85,211	-	85,211	-	-	-	85,211
Total capital assets being depreciated	28,859,248	-	28,859,248	2,145,374	(503,249)	687,143	31,188,516
Less Accumulated Depreciation for:							
Building	(94,356)	-	(94,356)	(61,139)	-	-	(155,495)
Vehicles	(15,292,070)	-	(15,292,070)	(2,227,772)	503,249	-	(17,016,593)
Machinery and equipment	(1,254,806)	-	(1,254,806)	(158,004)	-	-	(1,412,810)
Improvements	(17,485)	-	(17,485)	(6,462)	-	-	(23,947)
Total accumulated depreciation	(16,658,717)	-	(16,658,717)	(2,453,377)	503,249	-	(18,608,845)
Total capital assets being depreciated, net	12,200,531	-	12,200,531	(308,003)	-	687,143	12,579,671
Capital assets, net	\$ 12,200,531	\$ 722,098	\$ 12,922,629	\$ (308,003)	\$ -	\$ -	\$ 12,614,626

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

General government	\$ 910,897
Public safety	1,229,780
Economic and physical development	8,919
Cultural and recreational	1,443,396
Transportation	47,236
Infrastructure	<u>1,745,124</u>
Total	<u><u>\$ 5,385,352</u></u>
General Government - Internal Service Fund	<u><u>\$ 2,453,377</u></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 June 30, 2017	(1) Adjustments	Adjusted June 30, 2017	Additions	Deletions	Transfers/CIP	Balance June 30, 2018
Business-Type Activities							
Capital Assets Not Being Depreciated:							
Construction in progress	\$ 2,362,293	\$ (1,041,781)	\$ 1,320,512	\$ 1,421,903	\$ -	\$ -	\$ 2,742,415
Total capital assets not being depreciated	<u>2,362,293</u>	<u>(1,041,781)</u>	<u>1,320,512</u>	<u>1,421,903</u>	<u>-</u>	<u>-</u>	<u>2,742,415</u>
Capital Assets Being Depreciated:							
Buildings	407,664	-	407,664	-	-	-	407,664
Machinery and equipment	561,935	95,085	657,020	-	-	-	657,020
Vehicles	5,291,084	-	5,291,084	168,337	(26,192)	-	5,433,229
Infrastructure	8,120,641	-	8,120,641	625,103	(56,500)	-	8,689,244
Total capital assets being depreciated	<u>14,381,324</u>	<u>95,085</u>	<u>14,476,409</u>	<u>793,440</u>	<u>(82,692)</u>	<u>-</u>	<u>15,187,157</u>
Less Accumulated Depreciation for:							
Buildings	(405,004)	-	(405,004)	(368)	-	-	(405,372)
Machinery and equipment	(556,882)	-	(556,882)	(15,948)	-	-	(572,830)
Vehicles	(4,342,786)	-	(4,342,786)	(207,734)	26,192	-	(4,524,328)
Infrastructure	(368,296)	-	(368,296)	(40,679)	40,680	-	(368,295)
Total accumulated depreciation	<u>(5,672,968)</u>	<u>-</u>	<u>(5,672,968)</u>	<u>(264,729)</u>	<u>66,872</u>	<u>-</u>	<u>(5,870,825)</u>
Total capital assets being depreciated, net	<u>8,708,356</u>	<u>95,085</u>	<u>8,803,441</u>	<u>528,711</u>	<u>(15,820)</u>	<u>-</u>	<u>9,316,332</u>
Business-type activity capital assets, net	<u><u>\$ 11,070,649</u></u>	<u><u>\$ (946,696)</u></u>	<u><u>\$ 10,123,953</u></u>	<u><u>\$ 1,950,614</u></u>	<u><u>\$ (15,820)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,058,747</u></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, 2018 was as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers/CIP	Balance June 30, 2018
Capital Assets Not Being Depreciated:					
Land	\$ 7,640,320	\$ 47,291	\$ -	\$ 688,109	\$ 8,375,720
Easements	104,071	15,496	-	-	119,567
Construction in progress	22,073,619	9,149,923	-	(4,241,130)	26,982,412
Total capital assets not being depreciated	<u>29,818,010</u>	<u>9,212,710</u>	<u>-</u>	<u>(3,553,021)</u>	<u>35,477,699</u>
Capital Assets Being Depreciated:					
Land improvements	2,882,388	-	-	679,910	3,562,298
General plant	13,010,726	133,263	-	-	13,143,989
Utility plant	164,601,085	2,020,608	-	2,016,709	168,638,402
Computer software	32,672,234	126,529	-	-	32,798,763
Vehicles and equipment	26,861,400	1,090,229	(799,265)	-	27,152,364
Distribution systems	441,336,372	16,132,041	-	856,402	458,324,815
Transmission systems	33,299,399	1,539	-	-	33,300,938
Computer hardware	3,250,086	187,359	-	-	3,437,445
Fiber optics	2,184,610	112,011	-	-	2,296,621
Total capital assets being depreciated	<u>720,098,300</u>	<u>19,803,579</u>	<u>(799,265)</u>	<u>3,553,021</u>	<u>742,655,635</u>
Less Accumulated Depreciation for:					
Land improvements	1,222,427	155,100	-	-	1,377,527
General plant	6,795,127	355,537	-	-	7,150,664
Utility plant	65,910,160	4,867,847	-	-	70,778,007
Computer software	10,034,222	1,902,838	-	-	11,937,060
Vehicles and equipment	22,743,812	1,528,493	(793,440)	-	23,478,865
Distribution systems	230,635,583	11,451,946	-	-	242,087,529
Transmission systems	22,837,928	925,647	-	-	23,763,575
Computer hardware	3,014,153	101,639	-	-	3,115,792
Fiber optics	1,233,834	114,831	-	-	1,348,665
Total accumulated depreciation	<u>364,427,246</u>	<u>21,403,878</u>	<u>(793,440)</u>	<u>-</u>	<u>385,037,684</u>
Total capital assets being depreciated, net	<u>355,671,054</u>	<u>(1,600,299)</u>	<u>(5,825)</u>	<u>3,553,021</u>	<u>357,617,951</u>
Net Capital Assets	<u>\$ 385,489,064</u>	<u>\$ 7,612,411</u>	<u>\$ (5,825)</u>	<u>\$ -</u>	<u>\$ 393,095,650</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, 2018 totaled \$9,022,087, \$3,943,788, \$6,251,534, and \$2,186,469, respectively.

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Construction Commitments (Commission).

The Commission has active construction projects as of June 30, 2018. At year-end, the Commission's commitments with contractors were as follows:

Project Name	Spent-to-Date	Remaining Commitments
Electric transmission system	\$ 9,057,893	\$ 256,035
Electric distribution system	1,139,724	6,927
Water treatment and distribution system	2,508,676	4,817,221
Sewer treatment and collection system	11,242,522	1,100,241
Natural gas distribution system	2,801,982	369,760
Administrative facilities	2,576,803	3,723,985
Total	\$ 29,327,600	\$ 10,274,169

B. Liabilities

Accounts Payable and Accrued Liabilities.

Payables at the government-wide level at June 30, 2018 were as follows:

Type of Payable	Governmental Activities	Business-Type Activities
Trade payable	\$ 4,981,723	\$ 17,384,585
Accrued salaries and fringe benefits	400,309	1,389,008
Other accrued expenses	-	2,316
Total	\$ 5,382,032	\$ 18,775,909

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 ("LEO") 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, 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 LEOs 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, 2018 was 8.25% of compensation for law enforcement officers and 7.55% 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 \$3,025,328 for the year ended June 30, 2018. The Commission's contributions to LGERS were \$2,345,337 for the year ended June 30, 2018.

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

At June 30, 2018, the City reported a liability of \$10,140,873 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability 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, 2017, the City's proportion was 0.664%, which was a decrease of 0.009% from its proportion measured as of June 30, 2016.

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For the year ended June 30, 2018, the City recognized pension expense of \$2,986,315. At June 30, 2018, 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	\$ 584,205	\$ 287,056
Net difference between projected and actual earnings on pension plan investments	2,462,213	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	679,489
Changes of assumptions	1,448,254	-
Contributions subsequent to the measurement date	3,025,328	-
Total	<u>\$ 7,520,000</u>	<u>\$ 966,545</u>

\$3,025,328 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 222,416
2020	2,722,936
2021	1,367,057
2022	(784,272)
Total	<u>\$ 3,528,137</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% to 7.75%, including inflation and productivity factor
Investment rate of return	7.20%, net of pension plan investment expense, including inflation

The inflation assumption used in the December 31, 2016 actuarial valuation was a reduction from the 3.50% rate used in the December 31, 2015 valuation, and the investment rate of return used in the December 31, 2016 actuarial valuation was a reduction from the 7.25% rate used in the December 31, 2015 valuation.

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, 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad-hoc cost of living adjustment (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, 2017 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%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 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 7.20%. 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 7.20 %, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability	<u>\$ 30,443,129</u>	<u>\$ 10,140,873</u>	<u>\$ (6,805,102)</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, 2018, the Commission reported a liability of \$6,887,281 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the Commission's proportion was 0.451%, which was an increase of 0.008% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Commission recognized pension expense of \$2,409,521. At June 30, 2018, 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	\$ 396,771	\$ 194,957
Changes of assumptions	983,599	-
Net difference between projected and actual earnings on pension plan investments	1,672,240	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	229,685	-
Commission contributions subsequent to the measurement date	2,345,337	-
Total	<u>\$ 5,627,632</u>	<u>\$ 194,957</u>

\$2,345,337 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2019	\$ 451,729
2020	2,061,200
2021	1,056,349
2022	<u>(481,940)</u>
Total	<u>\$ 3,087,338</u>

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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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	<u>1% Decrease</u> <u>(6.20%)</u>	<u>Discount Rate</u> <u>(7.20%)</u>	<u>1% Increase</u> <u>(8.20%)</u>
Commission's proportionate share of the net pension liability	<u>\$ 20,675,773</u>	<u>\$ 6,887,281</u>	<u>\$ (4,621,757)</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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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 City law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	24
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>185</u>
Total	<u><u>209</u></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 are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

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3. *Actuarial Assumptions.*

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.50% to 7.35%, including inflation and productivity factor
Discount rate	3.16%

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month. On December 31, 2015, the Municipal Bond Index Rate was 3.57%. On December 31, 2016, the rate had increased to 3.86% and then decreased to 3.16% on December 31, 2017. The assumed inflation rate decreased from 3.00% on the December 31, 2016 measurement date to 2.50% on the December 31, 2016 measurement date, and the assumed wage inflation was increased from 0.5% on the December 31, 2016 measurement date to 1.0% on the December 31, 2017 measurement date.

Mortality rates are based on the RP-2014 Mortality tables projected forward generationally from the valuation date using MP-2015.

4. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established, and may be amended by, the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$454,346 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a total pension liability of \$8,183,588. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the City recognized pension expense of \$600,700.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 140,903
Changes of assumptions	377,907	122,479
City benefit payments and plan administrative expenditures paid subsequent to the measurement date	224,992	-
Total	<u>\$ 602,899</u>	<u>\$ 263,382</u>

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Subsequent to the measurement date, \$224,992 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred will be recognized as a decrease of the total pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2019	\$ 19,219
2020	19,219
2021	19,219
2022	19,219
2023	37,649
	<u>\$ 114,525</u>

Subsequent to the measurement date, \$224,992 paid as benefits came due and \$-0- of administrative expenses are reported as deferred outflows of resources.

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 3.16%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16%) or 1-percentage-point higher (4.16%) than the current rate:

	<u>1% Decrease</u> <u>(2.16%)</u>	<u>Discount Rate</u> <u>(3.16%)</u>	<u>1% Increase</u> <u>(4.16%)</u>
Total pension liability	<u>\$ 8,856,430</u>	<u>\$ 8,183,588</u>	<u>\$ 7,565,533</u>

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$ 7,771,117
Service cost	288,930
Interest on the total pension liability	291,196
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(170,442)
Changes of assumptions or other inputs	457,133
Benefit payments	(454,346)
Other changes	-
Ending balance of the total pension liability	<u>\$ 8,183,588</u>

The plan currently uses mortality tables that vary by age, and health status (i.e., disabled, 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.

CITY OF GREENVILLE, NORTH CAROLINA
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	LGERS (City)	LGERS (Commission)	LEOSSA	TOTAL
Proportionate Share of Net Pension Liability (Asset)	\$ 10,140,873	\$ 6,887,281	\$ -	\$ 17,028,154
Proportion of the Net Pension Liability (Asset)	0.66379%	0.45082%	N/A	N/A
Total Pension Liability	\$ -	\$ -	\$ 8,183,588	\$ 8,183,588
Pension Expense	\$ 2,986,315	\$ 2,409,521	\$ 600,700	\$ 5,996,536
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 584,205	\$ 396,771	\$ -	\$ 980,976
Changes of assumptions	\$ 1,448,254	\$ 983,599	\$ 377,907	\$ 2,809,760
Net difference between projected and actual earnings on pension plan investments	\$ 2,462,213	\$ 1,672,240	\$ -	\$ 4,134,453
Changes in proportion and differences between City contributions and proportionate share of contributions	\$ -	\$ 229,685	\$ -	\$ 229,685
City contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	\$ 3,025,328	\$ 2,345,337	\$ 224,992	\$ 5,595,657
Deferred inflows of Resources				
Differences between expected and actual experience	\$ 287,056	\$ 194,957	\$ 140,903	\$ 622,916
Changes of assumptions	\$ -	\$ -	\$ 122,479	\$ 122,479
Changes in proportion and differences between City contributions and proportionate share of contributions	\$ 679,489	\$ -	\$ -	\$ 679,489

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income 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. The City contributed \$548,951 for the year ended June 30, 2018. No amounts were forfeited.

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d. Postemployment 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.

e. Other Postemployment Benefits

1. *Healthcare Benefits Plan (City Except Commission)*

Plan Description

Plan Description. The City administers the City of Greenville Other Postemployment Benefits Plan (City OPEB Plan), 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. 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.

Management of the City's OPEB Plan is vested in the City Council.

Plan Membership. Membership of the plan consisted of the following at December 31, 2016, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	252
Inactive plan members entitled to, but not yet receiving, benefit payments	-
Active plan members	690
	<hr/>
Total	942
	<hr/> <hr/>

Benefits Provided. 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.

CITY OF GREENVILLE, NORTH CAROLINA
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Contributions. 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. The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member’s age at retirement and their length of service as detailed below:

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

The City is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Council. For the current year, the City contributed \$2,356,792. The City OPEB Plan is accounted for as a trust fund.

Investments

Investment Policy. The City’s policy in regard to the investment of funds is established and may be amended by the City Council. It is the policy of the Council to pursue an investment strategy that achieves a balance between risk and return. The Council’s primary investment objectives, in priority order, are safety, liquidity, and yield. An Investment Advisory Committee provides recommendations to management. Investments are valued at fair value.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be 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 then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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As of the most recent adoption of the current long-term rate of return by the City OPEB Plan, the target asset allocation for each major asset class, as provided by the plan, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Index Fund	35.00%	7.0%
Bond Index Fund	15.00%	7.0%
Short-Term Investment Fund	50.00%	7.0%
Total	<u>100.00%</u>	

Note: The long-term expected return assumption prescribed by the plan under the plan's fiduciary responsibilities was based on the plan's approximate return on investment since the OPEB Trust Fund's inception.

Rate of Return. For the year ended June 30, 2018, the annual money weighted rate of return on investments, net of investment expense, was 7.00%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

Total OPEB liability	\$ 57,489,964
Plan fiduciary net position	<u>4,814,982</u>
City's net OPEB liability	<u>\$ 52,674,982</u>

Plan fiduciary net position as a percentage of the total OPEB liability	8.38%
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Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Municipal bond index rate	
Prior measurement date	3.56%
Measurement date	3.89%
Year fiduciary net position is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A

CITY OF GREENVILLE, NORTH CAROLINA
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Single equivalent interest rate, net of OPEB plan investment expense, including price inflation

Prior measurement date	7.00%
Measurement date	7.00%

Healthcare cost trend rates

Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

The long-term expected rate of return is based upon the historical returns of the plan's investments, which have consistently approximated 7% for each of the previous five years. The plan's administrator expects to continue to invest the plan's assets as they have in the past, and therefore expects the long-term rate of return on OPEB plan investments to approximate 7%.

Total OPEB liabilities were rolled forward to June 30, 2018 for the employer and the plan, utilizing update procedures incorporating the actuarial assumptions.

The discount rate used to measure the total OPEB liability was based on the single equivalent interest rate (SEIR). Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS.

Discount Rate. The discount rate used to measure the total OPEB liability ("TOL") as of the measurement date was 7.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.50%.
- Active employees do not explicitly contribute to the plan.
- In all years, the employer pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- The employer will continue to make an additional \$500,000 annual contribution to the plan.
- Cash flows occur mid-year.

Based on these assumptions, the plan's fiduciary net position ("FNP") was projected to not be depleted.

The FNP projections are based upon the plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the plan, or the plan's ability to make benefit payments in future years.

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Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net OPEB liability	\$ 61,294,896	\$ 52,674,982	\$ 45,688,080

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 4,426,258	\$ 52,674,982	\$ 63,272,888

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the City reported a net OPEB liability of \$52,674,982. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2018, the components of the net OPEB liability of the City, measured as of June 30, 2018, were as follows:

	<u>Total OPEB Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2017	\$ 54,725,353	\$ 4,133,501	\$ 50,591,852
Changes for the year:			
Service cost	1,078,017	-	1,078,017
Interest	3,727,873	-	3,727,873
Changes of benefit terms	-	-	-
Differences between expected and actual experience	949,354	-	949,354
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	3,490,633	(3,490,633)
Net investment income	-	181,481	(181,481)
Benefit payments	(2,990,633)	(2,990,633)	-
Plan administrative expenses	-	-	-
Net changes	<u>2,764,611</u>	<u>681,481</u>	<u>2,083,130</u>
Balance at June 30, 2018	<u>\$ 57,489,964</u>	<u>\$ 4,814,982</u>	<u>\$ 52,674,982</u>

There were no changes in assumptions or other inputs for the year ended June 30, 2018.

CITY OF GREENVILLE, NORTH CAROLINA
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For the year ended June 30, 2018, the City recognized OPEB expense of \$1,159,132. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 823,943	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	100,054	-
Total	<u>\$ 923,997</u>	<u>\$ -</u>

Amounts reported as deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Year Ending June 30:

2019	\$ 150,424
2020	150,424
2021	150,424
2022	150,422
2023	125,410
Thereafter	196,894
	<u>\$ 923,998</u>

2. Healthcare Benefits Plan (Commission)

Plan Description

Plan Administration. The Commission administers the Greenville Utilities Commission Other Postemployment Benefits Plan (GUC OPEB Plan), a single-employer defined benefit plan which provides postemployment benefits other than pensions (OPEB) for all eligible retirees. 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 5 years of service. Also, an employee is eligible for disability retirement when he/she has completed 5 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. 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.

Management of the GUC OPEB Plan is vested in the GUC Board of Commissioners.

CITY OF GREENVILLE, NORTH CAROLINA
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Plan Membership. At June 30, 2016, the valuation date, the GUC OPEB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	164
Inactive plan members entitled to but not yet receiving benefit payments	-
Active members	<u>448</u>
Total	<u><u>612</u></u>

Benefits Provided. The GUC OPEB Plan provides post-retirement healthcare, prescription drugs, and vision benefits for retired or disabled employees. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975.

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

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

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. For the current year, the Commission contributed \$2,192,179. The GUC OPEB Plan is accounted for as a trust fund.

CITY OF GREENVILLE, NORTH CAROLINA
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Investments

Investment Policy. As of the most recent adoption of the current long-term rate of return by the GUC OBEP Plan, the target asset allocation and best estimates of real rates of return for each major asset class, as provided by the GUC OPEB Plan's investment strategies, are summarized in the following table:

Asset Class	Target Allocation	10-Year Expected Real Rate of Return
Equity	65.00%	7.40%
Bonds	10.00%	3.06%
Cash and Cash Equivalents	25.00%	2.89%
Total	100.00%	

Note: In setting the long-term expected return for the GUC OPEB Plan, projections employed to model future returns provide a range of expected long-term returns that ultimately support a long-term expected rate of return assumption of 7.00%.

Rate of Return. For the year ended June 30, 2018, the annual money weighted rate of return on investments, net of investment expense, was 6.47%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Commission

At June 30, 2018, the components of the net OPEB liability of the Commission were as follows:

Total OPEB liability (TOL)	\$ 39,546,467
Plan fiduciary net position (FNP)	3,887,880
Commission's net OPEB liability (NOL)	\$ 35,658,587

Plan fiduciary net position as a percentage of the total OPEB liability	9.83%
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Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actual assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Municipal bond index rate	
Prior measurement date	3.56%
Measurement date	3.89%
Year fiduciary net position is projected to be depleted	
Prior measurement date	2050
Measurement date	2050

CITY OF GREENVILLE, NORTH CAROLINA
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Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	4.68%
Measurement date	5.74%
Healthcare cost trend rates	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

An expected TOL was determined as of June 30, 2017 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of June 30, 2016, subtracts the actual benefit payments and refunds for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the Service Cost). An expected TOL is then determined as of June 30, 2018 beginning with the TOL as of June 30, 2017 using the same roll forward methodology. Actuarial gains and losses arising from the change in the SEIR from 4.68% on the prior measurement date to 5.74% on the measurement date are accounted for as changes of assumptions or other inputs.

The discount rate used to measure the total OPEB liability was based on the single equivalent interest rate (SEIR).

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2014.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented above.

Discount Rate. The discount rate used to measure the TOL as of the measurement date was 5.74%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.50%.
- Active employees do not explicitly contribute to the plan.
- In all years, the employer pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

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Based on these assumptions, the plan's FNP was projected to be depleted in 2050 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 7.00% on plan investments was applied to periods through 2050 and the Municipal Bond Index Rate at the measurement date (3.89%) was applied to periods on and after 2050, resulting in an SEIR at the measurement date (5.74%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 4.68% at the prior measurement date to 5.74% at the measurement date.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.74%) or 1-percentage-point higher (6.74%) than the current discount rate:

	1% Decrease (4.74%)	Discount Rate (5.74%)	1% Increase (6.74%)
Net OPEB liability	\$ 42,254,362	\$ 35,652,968	\$ 30,347,678

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 29,367,839	\$ 35,652,968	\$ 43,656,738

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the Commission reported a net OPEB liability of \$35,658,587. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2018, the components of the net OPEB liability of the Commission, were as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ 44,678,833	\$ 3,150,692	\$ 41,528,141
Changes for the year:			
Service cost	1,035,590	-	1,035,590
Interest	2,051,825	-	2,051,825
Changes of benefit terms	-	-	-
Differences between expected and actual experience	518,960	-	518,960
Changes of assumptions or other inputs	(7,046,562)	-	(7,046,562)
Contributions - employer	-	2,192,179	(2,192,179)
Net investment income	-	237,188	(237,188)
Benefit payments	(1,692,179)	(1,692,179)	-
Plan administrative expenses	-	-	-
Net changes	(5,132,366)	737,188	(5,869,554)
Balance at June 30, 2018	\$ 39,546,467	\$ 3,887,880	\$ 35,658,587

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Changes of assumptions and other inputs reflect a change in the SEIR from 4.68% on the prior measurement date to 5.74% on the measurement date.

For the year ended June 30, 2018, the Commission recognized OPEB expense of \$1,937,784. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 446,480	\$ -
Changes of assumptions	-	6,062,405
Net difference between projected and actual earnings on investments	766	-
Total	\$ 447,246	\$ 6,062,405

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2019	\$ (911,485)
2020	(911,485)
2021	(911,485)
2022	(911,487)
2023	(911,677)
Thereafter	(1,057,540)
	<u>\$ (5,615,159)</u>

The financial statements for the City's and Commission's pension trust funds are as follows:

	OPEB Trust Fund (City)	OPEB Trust Fund (Commission)	Pension Trust Fund Total
Statements of Fiduciary Net Position			
Assets:			
Restricted assets			
Cash and cash equivalents	\$ 2,793,048	\$ 1,344,642	\$ 4,137,690
Investments:			
BlackRock MSCI ACWI EQ Index Non-Lendable Fund	1,507,222	2,231,515	3,738,737
NC Non-Pension Fixed Income	514,712	317,342	832,054
Total assets	4,814,982	3,893,499	8,708,481
Liabilities:			
Accounts payable	-	5,619	5,619
Total liabilities	-	5,619	5,619
Net Position:			
Net position restricted for postemployment benefits other than pensions	\$ 4,814,982	\$ 3,887,880	\$ 8,702,862

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	OPEB Trust Fund (City)	OPEB Trust Fund (Commission)	Pension Trust Fund Total
Statements of Changes in Fiduciary Net Position			
Additions:			
Contributions:			
Employer contributions	\$ 2,356,792	\$ 2,192,179	\$ 4,548,971
Total contributions	<u>2,356,792</u>	<u>2,192,179</u>	<u>4,548,971</u>
Investment earnings:			
Interest	34,538	26,948	61,486
Net increase (decrease) in the fair value of investments	147,294	210,762	358,056
Total investment earnings	<u>181,832</u>	<u>237,710</u>	<u>419,542</u>
Less investment expense	291	522	813
Net investment income	<u>181,541</u>	<u>237,188</u>	<u>418,729</u>
Total additions	<u>2,538,333</u>	<u>2,429,367</u>	<u>4,967,700</u>
Deductions:			
Benefits	1,856,792	1,692,179	3,548,971
Total deductions	<u>1,856,792</u>	<u>1,692,179</u>	<u>3,548,971</u>
Change in net position	681,541	737,188	1,418,729
Net position restricted for postemployment benefits other than pensions, beginning of year	<u>4,133,441</u>	<u>3,150,692</u>	<u>7,284,133</u>
Net position restricted for postemployment benefits other than pensions, end of year	<u>\$ 4,814,982</u>	<u>\$ 3,887,880</u>	<u>\$ 8,702,862</u>

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 postemployment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

The City also offers 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			General Fund Balance Sheet Deferrals
	Statement of Net Position			
	OPEB Deferrals	Pension Deferrals	Unamortized Bond Refunding	
City				
Contributions to LGERS pension plan in current year	\$ -	\$ 3,025,328	\$ -	\$ -
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date	-	224,992	-	-
Differences between expected and actual experience	823,943	584,205	-	-
Changes of assumptions	-	1,826,161	-	-
Net difference between projected and actual investment earnings	100,054	2,462,213	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Charge on refunding	-	-	755,565	-
Commission				
Contributions to LGERS pension plan in current year	-	2,345,337	-	-
Differences between expected and actual experience	446,480	396,771	-	-
Changes of assumptions	-	983,599	-	-
Net difference between projected and actual investment earnings	766	1,672,240	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	229,685	-	-
Charge on refunding	-	-	1,975,021	-
Total	\$ 1,371,243	\$ 13,750,531	\$ 2,730,586	\$ -

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	Deferred Inflows			General Fund Balance Sheet Deferrals
	Statement of Net Position			
	OPEB Deferrals	Pension Deferrals	Other Deferrals	
City				
Property Tax Receivable	\$ -	\$ -	\$ -	\$ 34,807
Other Receivables (general fund)	-	-	-	2,386,090
Other Receivables (nonmajor governmental funds)	-	-	-	2,471,178
Prepaid Property Taxes General Fund	-	-	4,521	4,521
Differences between expected and actual experience	-	427,959	-	-
Changes of assumptions	-	122,479	-	-
Net difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	679,489	-	-
Commission				
Differences between expected and actual experience	-	194,957	-	-
Changes of assumptions	6,062,405	-	-	-
Net difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Total	\$ 6,062,405	\$ 1,424,884	\$ 4,521	\$ 4,896,596

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 were installed.

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 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 personal 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

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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.

For the City (except for Commission), the claims liability of \$2,001,000 reported in accounts payable in the Health Insurance Internal Service Fund at June 30, 2018 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:

	2018	2017
Unpaid claims, beginning	\$ 1,799,000	\$ 1,735,000
Incurred claims and administrative costs	11,849,099	12,204,555
Claim and administrative payments	(11,647,099)	(12,140,555)
Unpaid claims, ending	<u>\$ 2,001,000</u>	<u>\$ 1,799,000</u>

For the Commission, the medical claims liability of \$817,586 included in accounts payable and accrued expenses at June 30, 2018 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, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims, beginning	\$ 749,988	\$ 611,637
Incurred claims and administrative costs	6,586,103	6,153,300
Claim and administrative payments	(6,518,505)	(6,014,949)
Unpaid claims, ending	<u>\$ 817,586</u>	<u>\$ 749,988</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 \$267 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 \$611,270.

	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning	\$ 888,221	\$ 766,753
Incurred claims and administrative costs	679,212	305,890
Claim and administrative payments	<u>(956,163)</u>	<u>(184,422)</u>
Unpaid claims, ending	<u>\$ 611,270</u>	<u>\$ 888,221</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, 2018, 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.

CITY OF GREENVILLE, NORTH CAROLINA
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6. Long-Term Obligations (City)

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%.	\$ 7,815,000
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%.	2,054,065
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%.	3,664,867
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%.	1,725,000
2016 Installment Purchase Contract, \$1,500,000 original issue, due in semi-annual installments of \$75,000 through 2027, plus interest at 1.98%.	1,080,216
Total Governmental Activities	<u>\$ 16,339,148</u>
Business-Type Activities	Sanitation Fund
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%.	\$ 135,000
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%.	205,714
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%.	301,297
Total Business-Type Activities	<u>\$ 642,011</u>

CITY OF GREENVILLE, NORTH CAROLINA
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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
2019	\$ 2,576,922	\$ 347,315	\$ 2,924,237
2020	2,534,911	297,487	2,832,398
2021	1,903,179	250,604	2,153,783
2022	1,876,735	211,269	2,088,004
2023	1,840,588	172,360	2,012,948
2024-2028	4,875,709	400,352	5,276,061
2029-2032	731,104	18,501	749,605
Total	\$ 16,339,148	\$ 1,697,888	\$ 18,037,036

Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2019	\$ 157,142	\$ 15,951	\$ 173,093
2020	157,142	11,708	168,850
2021	157,142	7,465	164,607
2022	112,142	3,222	115,364
2023	58,443	835	59,278
Total	\$ 642,011	\$ 39,181	\$ 681,192

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:		
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%.	\$ 2,080,000	\$ -
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%.	4,985,546	3,114,454
2016 Street and Pedestrian Transportation, Series 2016, \$8,000,000 original issue due in annual installments of \$400,000 through 2036	7,600,000	-
General Obligation Bonds	14,665,546	3,114,454
Add unamortized premium	643,944	-
Total General Obligation Bonds	\$ 15,309,490	\$ 3,114,454

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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
2019	\$ 1,159,918	\$ 492,283	\$ 1,652,201	\$ 375,083	\$ 58,893	\$ 433,976
2020	1,147,612	458,163	1,605,775	367,389	51,804	419,193
2021	1,175,300	425,424	1,600,724	384,700	44,861	429,561
2022	1,123,000	385,233	1,508,233	352,001	37,590	389,591
2023	1,110,690	350,522	1,461,212	344,307	30,937	375,244
2024-2028	4,869,026	1,222,228	6,091,253	1,290,974	60,239	1,351,213
2029-2033	2,480,000	543,400	3,023,400	-	-	-
2034-2037	1,600,000	119,000	1,719,000	-	-	-
Total	\$ 14,665,546	\$ 3,996,253	\$ 18,661,799	\$ 3,114,454	\$ 284,324	\$ 3,398,778

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%.	\$ 1,430,000
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%.	4,005,000
Total Special Obligation Bonds	<u>\$ 5,435,000</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
2019	\$ 555,000	\$ 171,490	\$ 726,490
2020	585,000	155,126	740,126
2021	615,000	137,824	752,824
2022	565,358	119,600	684,958
2023	583,732	101,226	684,958
2024-2027	2,530,910	208,923	2,739,833
Total	\$ 5,435,000	\$ 894,189	\$ 6,329,189

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The City has pledged net occupancy tax revenues and other replacement revenues to repay these revenue bonds, of which \$5,435,000 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 \$6,329,189. Principal and interest paid for the current year bonds, debt service revenues from occupancy tax, and total occupancy tax were \$711,932, \$1,181,555, and \$2,363,110, respectively.

d. Changes in Long-Term Obligations

The following is a summary of changes in the long-term obligations of the City for the year ended June 30, 2018:

	Restated Balance			Balance	Current
	July 1, 2017	Additions	Retirements	June 30, 2018	Portion
Governmental Activities					
General obligation bonds	\$ 15,831,616	\$ -	\$ 1,166,070	\$ 14,665,546	\$ 1,159,918
Special obligation revenue	5,960,000	-	525,000	5,435,000	555,000
Installment purchase contracts	19,154,430	-	2,815,282	16,339,148	2,576,922
Net pension liability (LGERS)	13,017,527	-	3,769,911	9,247,616	-
Total pension liability (LEO)	7,771,117	412,471	-	8,183,588	-
Net OPEB liability	46,115,369	1,898,810	-	48,014,179	-
Compensated absences	2,871,673	2,375,483	2,340,428	2,906,728	2,034,717
	<u>110,721,732</u>	<u>4,686,764</u>	<u>10,616,691</u>	<u>104,791,805</u>	<u>\$ 6,326,557</u>
Add unamortized premium	678,752	-	34,808	643,944	
Total governmental	<u>\$ 111,400,484</u>	<u>\$ 4,686,764</u>	<u>\$ 10,651,499</u>	<u>\$ 105,435,749</u>	
Business-Type Activities					
<i>Managed by the City</i>					
General obligation bonds	\$ 3,493,384	\$ -	\$ 378,930	\$ 3,114,454	\$ 375,083
Installment purchase contracts	801,430	-	159,419	642,011	157,142
Net pension liability (LGERS)	1,259,208	-	365,951	893,257	-
Net OPEB liability	4,476,483	184,320	-	4,660,803	-
Compensated absences	207,037	175,981	155,309	227,709	152,160
Total	<u>10,237,542</u>	<u>360,301</u>	<u>1,059,609</u>	<u>9,538,234</u>	<u>684,385</u>
<i>Managed by the Commission</i>					
Revenue bonds	85,620,599	-	7,213,799	78,406,800	7,148,801
Other types of debt	38,587,279	2,926,318	2,748,972	38,764,625	2,742,771
Discounts and premiums	9,649,198	-	427,137	9,222,061	-
Compensated absences	2,263,434	2,010,165	2,011,580	2,262,019	1,909,229
Net OPEB liability	41,522,523	-	5,869,555	35,652,968	-
Net pension liability (LGERS)	9,389,210	-	2,501,929	6,887,281	-
Total long-term liabilities	<u>187,032,243</u>	<u>4,936,483</u>	<u>20,772,972</u>	<u>171,195,754</u>	<u>11,800,801</u>
Total business-type	<u>\$ 197,269,785</u>	<u>\$ 5,296,784</u>	<u>\$ 21,832,581</u>	<u>\$ 180,733,988</u>	<u>\$ 12,485,186</u>

As discussed in Note III.D., the City has reported a prior period adjustment related to long-term obligations.

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.

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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 \$33,626,043 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 14% of net revenues, or less than 2% of total revenues. The total principal and interest remaining to be paid on the bonds is \$51,120,584. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,089,614, \$22,722,026, and \$178,636,236, respectively.

Revenue bonds outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
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.	140,436
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.	150,250
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.	525,000
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,902,210, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	1,655,912
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.	3,929,847
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.	22,622,682

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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. \$ 1,126,291

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. 3,457,141

\$ 33,626,043

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

Year Ending June 30,	Principal	Interest	Total
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	1,663,742	1,096,140	2,759,882
2023	1,253,057	1,060,829	2,313,886
2024-2028	6,116,411	4,539,089	10,655,500
2029-2033	4,987,479	3,331,811	8,319,290
2034-2038	4,898,572	2,138,622	7,037,194
2039-2043	5,377,826	1,341,642	6,719,468
2044-2046	3,729,231	302,318	4,031,549
Total	<u>\$ 33,626,043</u>	<u>\$ 17,494,541</u>	<u>\$ 51,120,584</u>

2. Purchased Power Contract

The Commission is a participant of the North Carolina Eastern Municipal Power Agency ("NCEMPA"), a joint agency formed by 32 municipal entities. NCEMPA was formed in 1982 for the purpose of supplying wholesale power to its 32 participants. NCEMPA used the proceeds of debt issuances to purchase ownership interests in two coal-fired and three nuclear-fueled generation plants. Each participant was entitled to a proportionate share of the output and was obligated to pay its share of the operating costs and debt service on these generation assets.

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 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 NCEMPA's outstanding debt at June 30, 2018 was approximately \$70.8 million. As of the date of this report, NCEMPA is satisfying its obligations from its own operations and, accordingly, no provision for contingent liability is reported in the Commission's financial statements.

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 have allowed the Commission to reduce electric retail rates by approximately 15% since July 2015.

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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 \$1,737,090 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 18% of net revenues or less than 7% of total revenues. The total principal and interest remaining to be paid on the bonds is \$20,187,339. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,964,660, \$7,196,072, and \$20,351,223, respectively.

Revenue bonds outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
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.	\$ 383,866
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.	307,946
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.	2,959,750
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.	719,561
Series 2016 Revenue Bonds with an original issue amount of \$2,243,132, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046.	2,237,509
Series 2016 Revenue Bonds with an original issue amount of \$711,915, 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.	585,635
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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034.	7,542,823
	<u>\$ 14,737,090</u>

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 2,135,461	\$ 636,576	\$ 2,772,037
2020	1,870,745	547,985	2,418,730
2021	1,517,144	481,584	1,998,728
2022	685,040	424,900	1,109,940
2023	509,566	407,802	917,368
2024-2028	2,771,510	1,634,681	4,406,191
2029-2033	3,232,505	911,108	4,143,613
2034-2038	1,114,380	243,016	1,357,396
2039-2043	531,897	132,696	664,593
2044-2046	368,842	29,901	398,743
Total	<u>\$ 14,737,090</u>	<u>\$ 5,450,249</u>	<u>\$ 20,187,339</u>

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. 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:

Description	Amount
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.	\$ 2,330,948
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.	345,320
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.	161,695
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.	968,621
	<u>\$ 3,806,584</u>

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 295,316	\$ 83,542	\$ 378,858
2020	295,316	77,049	372,365
2021	295,316	70,555	365,871
2022	295,316	64,062	359,378
2023	295,316	57,568	352,884
2024-2028	1,476,583	190,439	1,667,022
2029-2033	853,421	41,962	895,383
Total	<u>\$ 3,806,584</u>	<u>\$ 585,177</u>	<u>\$ 4,391,761</u>

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

Description	Amount
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.	\$ 882,645
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.	14,554
	<u>\$ 897,199</u>

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 74,673	\$ -	\$ 74,673
2020	74,673	-	74,673
2021	74,673	-	74,673
2022	74,673	-	74,673
2023	74,673	-	74,673
2024-2028	373,368	-	373,368
2029-2031	150,466	-	150,466
Total	\$ 897,199	\$ -	\$ 897,199

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 \$16,667,258 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 27% of net revenues, or less than 13% of total revenues. The total principal and interest remaining to be paid on the bonds is \$23,600,994. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,162,791, \$10,254,302, and \$23,294,305, respectively.

Revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 331,318
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.	546,419
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.	921,967
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.	1,531,800
Series 2016 Revenue Bonds with an original issue amount of \$4,719,168, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046.	4,707,339

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Series 2016 Revenue Bonds with an original issue amount of \$2,118,933, 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. \$ 1,743,075

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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034. 6,885,340

\$ 16,667,258

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

Year Ending June 30,	Principal	Interest	Total
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	899,598	527,536	1,427,134
2023	675,563	505,136	1,180,699
2024-2028	3,374,201	1,996,931	5,371,132
2029-2033	3,383,332	1,191,274	4,574,606
2034-2038	1,558,654	471,973	2,030,627
2039-2042	1,119,021	279,170	1,398,191
2043-2046	775,981	62,906	838,887
Total	<u>\$ 16,667,258</u>	<u>\$ 6,933,736</u>	<u>\$ 23,600,994</u>

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.	\$ 8,256,979
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 \$8,866,000 drawn to date, due in annual installments of \$443,300 with a final payment on May 1, 2032.	6,206,200
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 \$13,649,668 drawn to date, due in annual installments of \$682,483 with a final payment on May 1, 2033.	10,237,250

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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 \$92,156 with a final payment on May 1, 2036.	\$ 1,787,604
2.0% Clean Water State Revolving Fund loan issued in 2017 to finance pump station upgrades, \$6,176,450 authorized and \$3,764,772 drawn to date, due in annual installments of \$188,239 with a final payment on May 1, 2037.	5,097,816
1.66% Clean Water State Revolving Fund loan issued in 2017 to finance improvements to the wastewater treatment plant air distribution system, \$1,718,086 authorized and \$587,950 drawn to date, due in annual installments of \$29,398 with a final payment on May 1, 2038.	<u>1,718,086</u>
	<u>\$ 33,303,935</u>

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

Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2019	\$ 2,221,400	\$ 729,353	\$ 2,950,753
2020	2,269,973	688,171	2,958,144
2021	2,269,973	636,636	2,906,609
2022	2,269,973	585,101	2,855,074
2023	2,269,973	533,566	2,803,539
2024-2028	11,349,861	1,894,804	13,244,665
2029-2033	8,842,318	657,621	9,499,939
2034-2038	1,810,464	75,457	1,885,921
Total	<u>\$ 33,303,935</u>	<u>\$ 5,800,709</u>	<u>\$ 39,104,644</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, 2018, \$756,907 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.

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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
2019	\$ 151,382	\$ 84,303	\$ 235,685
2020	151,382	80,611	231,993
2021	151,382	76,919	228,301
2022	151,382	73,227	224,609
2023	151,379	91,529	242,908
Total	<u>\$ 756,907</u>	<u>\$ 406,589</u>	<u>\$ 1,163,496</u>

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 \$13,376,409 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 62% of net revenues, or less than 8% of total revenues. The total principal and interest remaining to be paid on the bonds is \$20,675,102. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,374,533, \$4,244,655, and \$36,664,693, respectively.

Revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 36,332
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.	160,199
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.	1,372,560
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.	945,153
Series 2016 Revenue Bonds with an original issue amount of \$10,253,170, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046.	10,227,470
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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034.	634,695
	<u>\$ 13,376,409</u>

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

Year Ending June 30,	Principal	Interest	Total
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	711,620	432,360	1,143,980
2023	361,814	419,355	781,169
2024-2028	1,907,876	1,862,160	3,770,036
2029-2033	1,901,683	1,431,307	3,332,990
2034-2038	2,133,395	962,788	3,096,183
2039-2043	2,431,257	606,542	3,037,799
2044-2046	1,685,944	136,674	1,822,618
Total	\$ 13,376,409	\$ 7,298,693	\$ 20,675,102

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, 2018 is as follows:

Operating revenues	\$ 255,492,219
Operating expenses ¹	<u>(211,025,134)</u>
Operating income	44,467,085
Nonoperating revenues:	
Miscellaneous revenues ²	2,574,676
Interest income ²	879,562
Nonoperating expenses	<u>(636,741)</u>
Income available for debt service	<u>\$ 47,284,582</u>
Parity debt service (principal and interest paid)	\$ 10,591,598
Parity debt service coverage ratio	446%
Subordinate and other debt service (principal and interest paid)	\$ 3,691,848
Subordinate and other debt service coverage ratio	994%

¹ In accordance with rate covenants, operating expenses excludes depreciation expense of \$21,403,878; unfunded OPEB expense of (\$254,395); and pension expense and expenditures of \$64,186.

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

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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, 2018 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>							<u>Internal Service Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Nonmajor Enterprise</u>		
General Fund	\$ -	\$ 381,211	\$ 62,241	\$ 64,821	\$ 21,731	\$ 11,293	\$ -	\$ 1,068,408	\$ 1,609,705
Nonmajor Governmental	-	-	-	-	-	-	98,767	-	98,767
Nonmajor Enterprise	-	-	-	-	-	-	-	-	-
Internal Service Funds	-	-	29,398	29,398	-	-	-	-	58,796
Total	\$ -	\$ 381,211	\$ 91,639	\$ 94,219	\$ 21,731	\$ 11,293	\$ 98,767	\$ 1,068,408	\$ 1,767,268

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

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2. Interfund Transfers

Transfers to/from other funds at June 30, 2018 consist of the following:

Governmental activities:

Transfers within governmental activities:

From the General Fund to the Central Grants Fund for local match to COPS grants	\$ 393,571
From the General Fund to the Central Grants Fund for local match to Transparency and Trust Grant	98,355
From the General Fund to the Capital Reserve Fund for various capital projects	5,093,803
From the General Fund to the Police Capital Projects Fund for the 911 Communication System Upgrade	312,830
From the General Fund to the Police Capital Projects Fund for the Public Safety Annex Project	225,500
From the General Fund to the Public Works Capital Projects Fund for the Street Lights/Cameras Project	750,000
From the General Fund to the Public Works Capital Projects Fund for the Street Improvement Program	1,675,000
From the General Fund to the Public Works Capital Projects Fund for the Capital Improvement Plan	660,431
From the General Fund (Powell Bill) to the Public Works Capital Projects Fund for the Street Improvement Program	525,000
From the General Fund to the Recreation and Parks Capital Projects Fund for the Westside Park Project	65,300
From the General Fund to the Recreation and Parks Capital Projects Fund for the Tar River Legacy Plan, Town Common Project, and Westside Park Project	825,288
From the General Fund to the Community Development and HOME Fund for grant local match	300,806
From the General Fund to the Debt Service Fund for debt service payments	4,663,703
From the General Fund (Powell Bill) to the Debt Service Fund for debt service payments	73,299
From the Capital Reserve Fund to the Recreation and Parks Capital Projects Fund for the Town Common Gateway Project	2,000,000
From the Community Development and HOME Fund to the General Fund for the Street Lights/Cameras Project	100,000
From the Community Development and HOME Fund to the General Fund for share of insurance losses	100
From the General Fund to the Sheppard Memorial Library Fund for share of operating funding	1,232,969
From the General Fund to the Facilities Improvement Program for noncapital projects	1,777,000
From the General Fund to the Vehicle Replacement Fund to purchase a new inspections vehicle	43,200
	<hr/>
Subtotal Transfers Within Governmental Activities	20,816,155

Transfers to Business-Type Activities

From the General Fund to the Public Transportation Fund for local match for grants	702,471
	<hr/>

Business-type activities:

Transfers within Business-Type Activities

From the Stormwater Operating Fund to the Enterprise Capital Projects Fund for new projects identified in the Watershed Master Plan	2,326,000
	<hr/>

Transfers to Governmental Activities

From the Electric Fund to the General Fund	5,002,127
From the Gas Fund to the General Fund	1,598,656
From the Sanitation Fund to the Vehicle Replacement Fund for vehicle rental fee	250,000
From the Stormwater Fund to the General Fund for a utilities contract	95,000
From the Sanitation Fund to the General Fund for share of insurance losses	56,290
From the Stormwater Fund to the General Fund for share of insurance losses	2,500
	<hr/>

Subtotal Transfers to Governmental Activities	7,004,573
	<hr/>

Total transfers	\$ 30,849,199
	<hr/> <hr/>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

D. Prior Period Adjustment

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the City to restate its beginning net OPEB liability. As a result, net position for the governmental activities and business-type activities decreased by \$25,133,951 and \$31,547,544 respectively. The restatement does not include the effects of deferred outflows or deferred inflows, for which amounts were not practical to determine.

At the end of fiscal year 2018, City management performed their annual evaluation of construction in progress (“CIP”). Discovery was made that certain projects were still included in CIP that were actually placed in service in a previous year or were not a type of project that would eventually be capitalized as a result of a misunderstanding of the facts related to the projects. Additionally, certain costs incurred in a previous year were identified as belonging in CIP based on the timing of elements required to place certain assets in service. Therefore, management adjusted the capital asset records to reflect a more appropriate accounting treatment of these costs, reducing net position by an additional \$5,148,343 and \$946,216 for the governmental and business-type activities, respectively.

Additionally, during the year ended June 30, 2018, the Commission’s management discovered that certain infrastructure assets had been donated to the Commission for fiscal years 2011 through 2017, but not recognized in the accounting records. Beginning net position was adjusted for these donated assets less applicable depreciation in the Water and Sewer funds, resulting in an adjustment of an increase in net position of business-type activities of \$7,256,755.

The effects of these changes on net position are presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning net position, as previously reported	\$ 196,112,602	\$ 392,453,773
Restatement	(30,282,294)	(25,237,005)
Net position, beginning of year – July 1, as restated	<u>\$ 165,830,308</u>	<u>\$ 367,216,768</u>

E. Net Investment in Capital Assets

At June 30, 2018, net investment in capital assets was computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	<u>\$ 190,418,364</u>	<u>\$ 405,154,397</u>
Less capital debt:		
Gross debt	36,439,694	129,507,940
Less:		
Unamortized bond refunding charges	(755,565)	(1,975,021)
Unexpended debt proceeds	<u>(4,416,633)</u>	<u>(9,402,632)</u>
Net capital debt	<u>31,267,496</u>	<u>118,130,287</u>
Capital assets, net of related debt	<u>\$ 159,150,868</u>	<u>\$ 287,024,110</u>

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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 Agency's debt at June 30, 2018 was approximately \$70.8 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 \$-0- to the Airport Authority during the fiscal year ended June 30, 2018. The City has a 50% equity interest in the joint venture; therefore, an equity interest of \$22,033,325 has been reflected in the government-wide financial statements at June 30, 2018. 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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.

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, 2018, 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, 2018, the Commission has commitments to take delivery on a total of 1,320,000 MMBtus at fixed prices ranging from \$2.68 to \$3.01 per MMBtu and in varying amounts from July 2018 through December 2019. In addition, the Commission has commitments to take delivery on 1,443,700 additional MMBtus per month during the period July 2018 through December 2019 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 five 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.

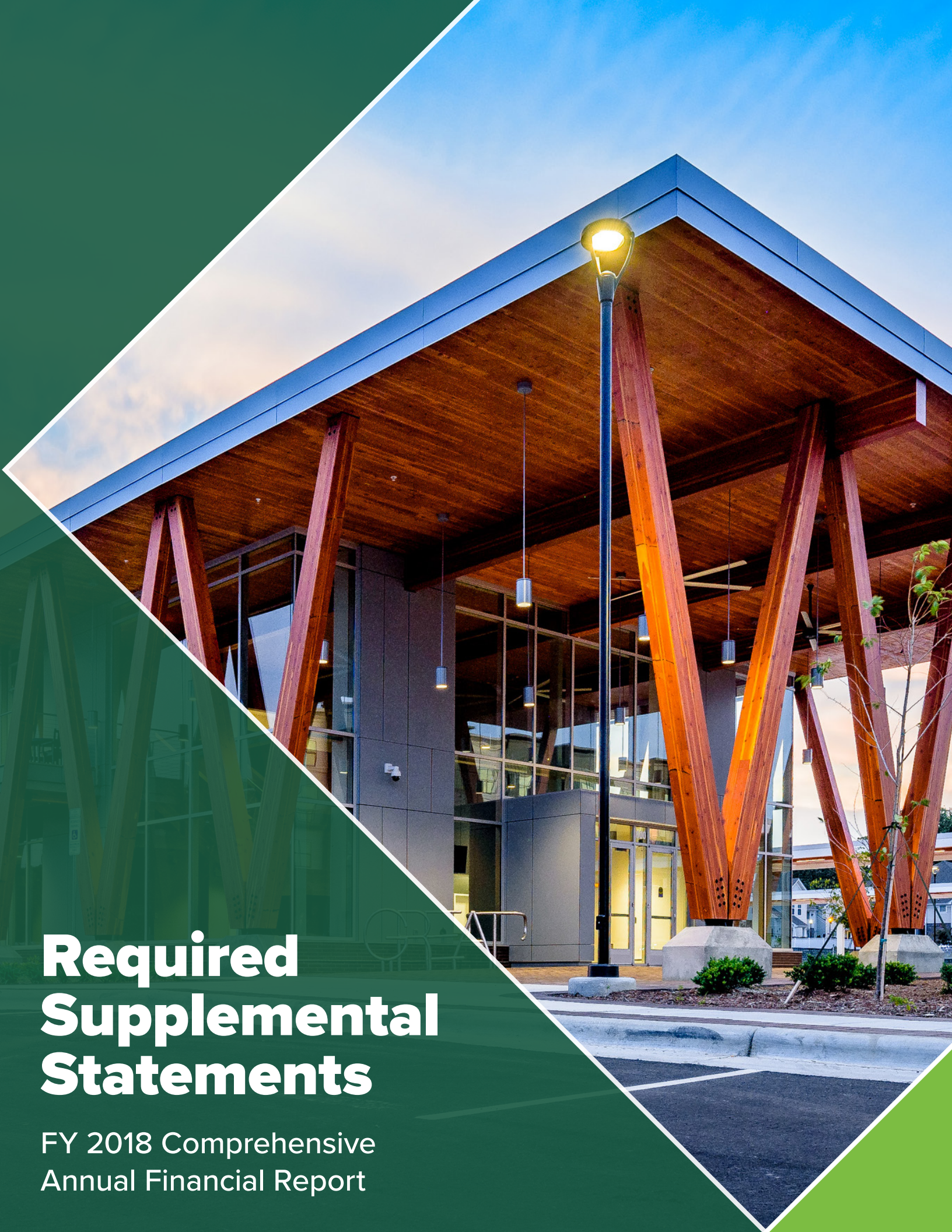
CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

The Commission entered a 15-year agreement with Patriots Energy Group (PEG), effective February 1, 2007 to purchase 20% of the Commission's firm volumes (2,000 dekatherms per day during the winter period, November through March). The Commission receives a price discount projected to be between \$0.42 and \$0.47 per dekatherm and pays a fee of \$0.015 per dekatherm to PEG to cover the administrative costs of the agreement. The Commission entered a 30-year agreement with The Black Belt Energy Gas District ("Black Belt Energy") effective March 1, 2018 to purchase 40% of the Commission's firm volumes (1,600 dekatherms per day during the summer period, April to October, and 2,500 dekatherms per day during the winter period, November through March). The Commission receives a price discount projected to be \$0.40 per dekatherm during the initial reset period from November 1, 2018 to October 31, 2023 and pays a fee of \$0.03 per dekatherm to Black Belt Energy to cover the administrative costs of the agreement. The Commission may elect to remarket the commodity in future reset periods when the available discount realized from the initial reset period through the end of such reset period is less than \$0.25 per dekatherm, excluding any period for which the Commission delivered a remarking election.

X. Significant effects of subsequent events

Management has evaluated subsequent events through November 29, 2018, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.



Required Supplemental Statements

FY 2018 Comprehensive
Annual Financial Report

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION**

LAST TWO FISCAL YEARS

	2018	2017
Beginning balance	\$ 7,771,117	\$ 7,753,711
Service cost	288,930	307,042
Interest on the total pension liability	291,196	270,090
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(170,442)	-
Changes of assumptions or other inputs	457,133	(183,415)
Benefit payments	(454,346)	(376,311)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 8,183,588</u>	<u>\$ 7,771,117</u>

Note 1: Amounts for each fiscal year are determined as of December 31.

Note 2: Information is not available for years prior to 2017.

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION**

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 8,183,588	\$ 7,771,117
Covered payroll	11,182,894	11,278,574
Total pension liability as a percentage of covered payroll	73.18%	68.90%

Notes to the Schedule:

Note 1: The City of Greenville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note 2: Information is not available for years prior to 2017.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS – CITY
REQUIRED SUPPLEMENTARY INFORMATION

LAST TWO FISCAL YEARS*

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 1,078,017	\$ 1,007,493
Interest	3,727,873	3,559,897
Changes of benefit terms	-	-
Differences between expected and actual experience	949,354	-
Changes of assumptions	-	-
Benefit payments	<u>(2,990,633)</u>	<u>(1,395,412)</u>
Net change in total OPEB liability	2,764,611	3,171,978
Total OPEB liability, beginning of year	<u>54,725,353</u>	<u>51,553,375</u>
Total OPEB liability, end of year	<u>57,489,964</u>	<u>54,725,353</u>
Plan Fiduciary Net Position:		
Contributions - employer	3,490,633	1,895,412
Net investment income	181,481	286,573
Benefit payments	(2,990,633)	(1,395,412)
Administrative expense	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	681,481	786,573
Plan fiduciary net position, beginning of year	<u>4,133,501</u>	<u>3,346,928</u>
Plan fiduciary net position, end of year	<u>4,814,982</u>	<u>4,133,501</u>
City's net OPEB liability - end of year	<u>\$ 52,674,982</u>	<u>\$ 50,591,852</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.38%	7.55%
Covered payroll	\$ 38,523,575	\$ 38,523,575
City's net OPEB liability as a percentage of covered payroll	136.73%	131.33%

Note: Information is not available prior to implementation of GASB Statement 74 in fiscal year 2017.

* Plan and employer measurement date is the reporting date.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF CONTRIBUTIONS (OPEB) – CITY
REQUIRED SUPPLEMENTARY INFORMATION

Schedule A-4

LAST THREE FISCAL YEARS

	2018	2017	2016
Actuarially determined contribution	\$ 4,751,289	\$ 3,694,097	\$ 3,207,785
Contributions in relation to the actuarially determined contribution	<u>3,490,633</u>	<u>1,895,412</u>	<u>3,081,744</u>
Contribution deficiency (excess)	<u>\$ 1,260,656</u>	<u>\$ 1,798,685</u>	<u>\$ 126,041</u>
Covered payroll	\$ 38,523,575	\$ 38,523,575	\$ 38,523,575
Contributions as a percentage of covered payroll	9.06%	4.92%	8.00%

Note: Information is not available for years prior to 2016.

Notes to the Schedule:

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions. The Actuarially Determined Contribution amount in the Schedule of Employer Contributions (above) is calculated with each biennial actuarial valuation. The actuarial methods and assumptions from the actuarial reports as of June 30, 2017 and prior years were used to determine contribution amount reported in the schedule.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Amortization period	26 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation:	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Healthcare cost trends:	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019
Mortality	Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP- 2015

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF INVESTMENT RETURNS (OPEB) - CITY
REQUIRED SUPPLEMENTARY INFORMATION

Schedule A-5

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	7.00%	7.00%

Note: Information is not available for years prior to 2017.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS –
GREENVILLE UTILITIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 1,035,590	\$ 1,146,045
Interest	2,051,825	1,930,674
Changes of benefit terms	-	-
Differences between expected and actual experience	518,960	-
Changes of assumptions	(7,046,562)	(3,865,249)
Benefit payments	<u>(1,692,179)</u>	<u>(1,442,003)</u>
Net change in total OPEB liability	(5,132,366)	(2,230,533)
Total OPEB liability, beginning of year	<u>44,678,833</u>	<u>46,909,366</u>
Total OPEB liability, end of year	<u>39,546,467</u>	<u>44,678,833</u>
Plan Fiduciary Net Position:		
Contributions - employer	2,192,179	1,942,003
Contributions - nonemployer		
Contributions - active members	-	-
Net investment income	237,188	321,437
Benefit payments	(1,692,179)	(1,442,003)
Administrative expense	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	737,188	821,437
Plan fiduciary net position, beginning of year	<u>3,150,692</u>	<u>2,329,255</u>
Plan fiduciary net position, end of year	<u>3,887,880</u>	<u>3,150,692</u>
Commission's net OPEB liability - end of year	<u>\$ 35,658,587</u>	<u>\$ 41,528,141</u>
Plan fiduciary net position as a percentage of the total OPEB liability	9.83%	7.05%
Covered payroll	\$ 26,006,154	\$ 26,006,154
Commission's net OPEB liability as a percentage of covered payroll	137.12%	159.69%

Note: Information is not available prior to implementation of GASB Statement 74 in fiscal year 2017.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF CONTRIBUTIONS (OPEB) – GREENVILLE UTILITIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

Schedule A-7

LAST THREE FISCAL YEARS

	2018	2017	2016
Actuarially determined contribution	\$ 2,590,104	\$ 2,070,367	\$ 2,050,401
Contributions in relation to the actuarially determined contribution	<u>2,192,179</u>	<u>1,942,003</u>	<u>1,553,515</u>
Contribution deficiency (excess)	<u>\$ 397,925</u>	<u>\$ 128,364</u>	<u>\$ 496,886</u>
Covered payroll	\$ 26,006,154	\$ 26,006,154	\$ 26,006,154
Contributions as a percentage of covered payroll	8.43%	7.47%	5.97%

Note: Information is not available for years prior to 2016.

Notes to the Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar payments
Amortization period	30 years, closed
Asset valuation method	Market value of assets
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation:	
General Employees	3.50% - 7.75%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Healthcare cost trends:	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF INVESTMENT RETURNS (OPEB) - GREENVILLE UTILITIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION**

*LAST SEVEN FISCAL YEARS**

	2018	2017	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expense	6.47%	10.18%	-0.57%	4.19%	13.98%	10.61%	5.84%

* The Commission's Other Postemployment Benefits Trust was established in fiscal year 2012.

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

*LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset) (%)	0.66379%	0.67269%	0.70987%	0.73849%	0.75020%
City's proportion of the net pension liability (asset) (\$)	\$ 10,140,873	\$ 14,276,735	\$ 3,185,854	\$ (4,355,215)	\$ 9,042,791
City's covered-employee payroll	\$ 38,168,808	\$ 37,116,150	\$ 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	26.57%	38.47%	8.42%	-11.47%	26.40%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	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.

**SCHEDULE OF CONTRIBUTIONS –
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM – CITY
REQUIRED SUPPLEMENTARY INFORMATION**

*LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,025,328	\$ 2,865,867	\$ 2,573,343	\$ 2,684,845	\$ 2,660,675
Contributions in relation to the contractually required contribution	<u>3,025,328</u>	<u>2,865,867</u>	<u>2,573,343</u>	<u>2,684,845</u>	<u>2,660,675</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 39,064,405	\$ 38,168,808	\$ 37,116,150	\$ 37,825,656	\$ 37,985,393
Contributions as a percentage of covered-employee payroll	7.74%	7.51%	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.

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

*LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.45082%	0.44240%	0.41892%	0.42068%	0.42030%
Proportion of the net pension liability (asset) (\$)	\$ 6,887,281	\$ 9,389,210	\$ 1,880,088	\$ (2,480,943)	\$ 5,066,229
Covered-employee payroll	\$ 29,774,064	\$ 26,489,847	\$ 25,315,352	\$ 24,852,254	\$ 24,741,607
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.13%	35.44%	7.43%	-9.98%	20.48%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	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.

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

*LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,345,337	\$ 2,158,620	\$ 1,782,767	\$ 1,789,817	\$ 1,755,810
Contributions in relation to the contractually required contribution	<u>2,345,337</u>	<u>2,158,620</u>	<u>1,782,767</u>	<u>1,789,817</u>	<u>1,755,810</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 30,312,540	\$ 29,774,064	\$ 26,489,847	\$ 25,315,352	\$ 24,852,254
Contributions as a percentage of covered-employee payroll	7.74%	7.25%	6.73%	7.07%	7.06%

* 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-13

JUNE 30, 2018

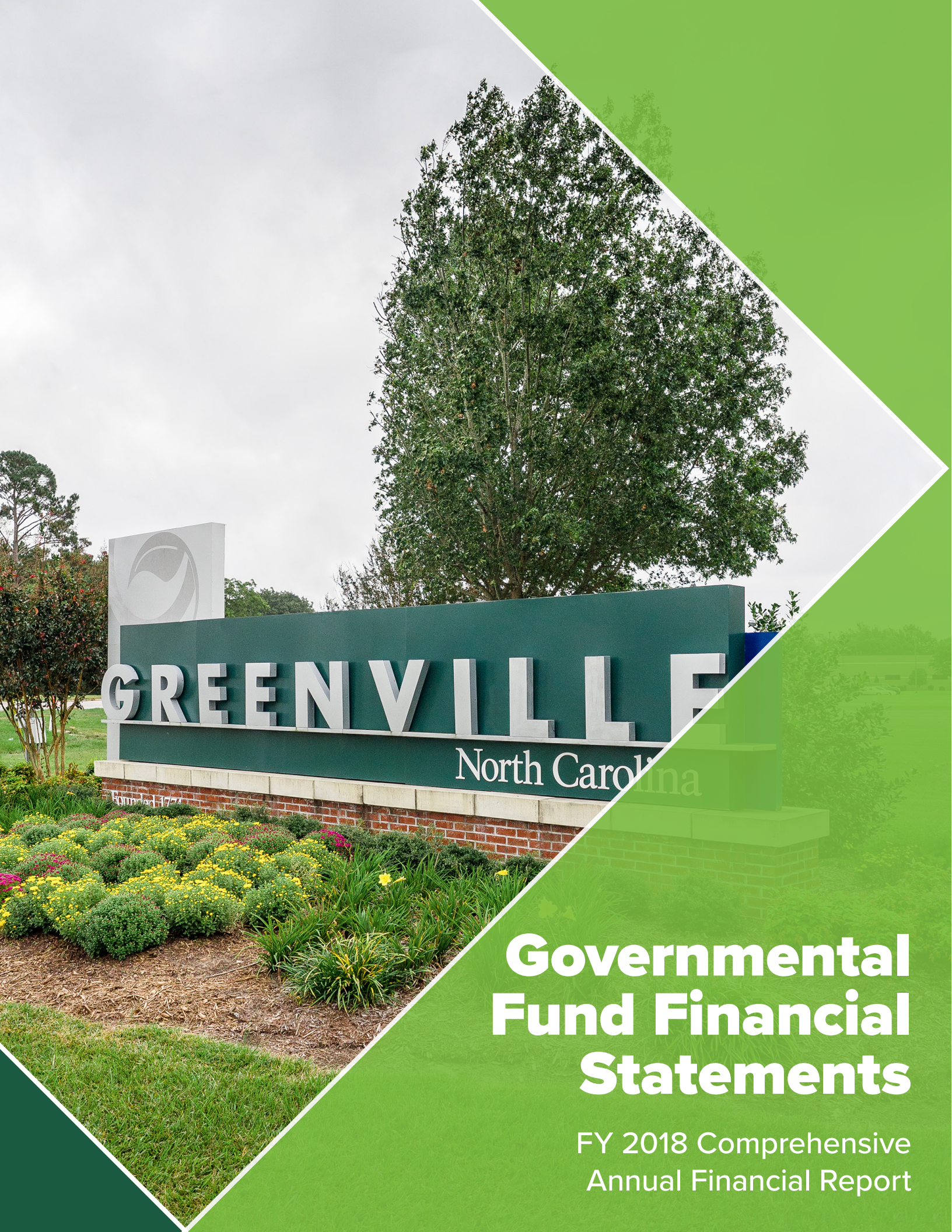
<u>Fiscal Year</u>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2018</u>
2018-2017	\$ -	\$ 34,150,363	\$ 34,002,040	\$ 148,323
2017-2016	167,992	-	103,778	64,214
2016-2015	90,512	-	30,936	59,576
2015-2014	67,057	-	30,731	36,326
2014-2013	72,175	-	27,975	44,200
2013-2012	68,262	-	11,545	56,717
2012-2011	61,282	-	11,128	50,154
2011-2010	59,781	-	10,530	49,251
2010-2009	61,780	-	9,126	52,654
2009-2008	61,859	-	6,757	55,102
2008-2007	60,404	-	60,404	-
	<u>\$ 771,104</u>	<u>\$ 34,150,363</u>	<u>\$ 34,304,950</u>	616,517
Less Allowance for uncollectible accounts - General Fund				<u>451,434</u>
Ad Valorem Taxes Receivable, Net - General Fund				<u>\$ 165,083</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$ 34,374,126
Reconciling Items:				
Amount written off per statute				(30,152)
Interest collected				(150,832)
Miscellaneous				<u>111,808</u>
Total collections and credits				<u>\$ 34,304,950</u>

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

Schedule A-14

YEAR ENDED JUNE 30, 2018

	City-Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate	Total Levy		
Original Levy:					
Property taxed at current year's rate	\$ 6,585,088,654	0.52	\$ 34,242,461	\$ 29,719,715	\$ 4,522,746
Penalties	-		23,468	23,468	-
Total	<u>6,585,088,654</u>		<u>34,265,929</u>	<u>29,743,183</u>	<u>4,522,746</u>
Discoveries:					
Current year taxes	66,325,769	0.52	344,894	344,894	-
Penalties	-		5,138	5,138	-
Total	<u>66,325,769</u>		<u>350,032</u>	<u>350,032</u>	<u>-</u>
Abatements	<u>(89,538,077)</u>		<u>(465,598)</u>	<u>(465,598)</u>	<u>-</u>
Total property valuation	<u>\$ 6,561,876,346</u>				
Net levy			34,150,363	29,627,617	4,522,746
Uncollected taxes as of June 30, 2018			<u>(148,323)</u>	<u>(148,323)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 34,002,040</u>	<u>\$ 29,479,294</u>	<u>\$ 4,522,746</u>
Current levy collection percentage			99.57%	99.50%	100.00%
Prior year collection percentage			99.50%	99.43%	100.00%



GREENVILLE

North Carolina

Founded 1777

Governmental Fund Financial Statements

FY 2018 Comprehensive
Annual Financial Report

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes		\$ 34,690,876		\$ 33,845,115
Interest and penalties		150,832		145,178
Tax discounts		(422,613)		(500,833)
Tax refunds		(44,969)		(104,174)
Total ad valorem taxes	\$ 34,253,457	34,374,126	\$ 120,669	33,385,286
Other Taxes:				
Local options sales tax		7,154,636		6,966,200
Cable TV franchise tax		850,550		875,412
One-half percent sales tax		7,786,382		7,527,831
Medicaid Hold Harmless payment		4,176,683		3,975,642
Rental vehicle - gross receipts		150,760		152,527
Total other taxes	19,980,145	20,119,011	138,866	19,497,612
Unrestricted Intergovernmental:				
Other unrestricted revenues		66,147		52
Utilities franchise tax		6,846,549		6,827,761
Beer and wine tax		386,066		403,408
Total unrestricted intergovernmental	7,590,418	7,298,762	(291,656)	7,231,221
Restricted Intergovernmental:				
NC DOT traffic control lights		39,505		118,411
Housing Authority Drug Grant		10,690		(701)
Special Federal, State, and Local Grants		17,077		259,068
Section 104F Planning Grant		177,670		254,761
Other restricted intergovernmental revenue		266,360		379,302
Powell Bill – State allocation payment		2,185,760		2,201,441
Total restricted intergovernmental	2,809,160	2,697,062	(112,098)	3,212,282
Licenses, Permits, and Fees:				
Privilege licenses		-		100
Inspection fees		956,876		1,394,750
State fire protection		390,037		387,490
Planning department fees		136,226		139,045
Police department fees		1,790,076		698,201
Fire and rescue department fees		191,404		187,036
Other permits and fees		128,230		122,318
Total licenses, permits, and fees	3,976,695	3,592,849	(383,846)	2,928,940

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Sales and Services:				
Rescue fees		\$ 3,637,467		\$ 2,692,167
Recreation department programs and fees		975,965		1,104,674
Utilities street cuts		36,257		203,372
Rents and concessions		337,746		295,545
Other sales and services		588,568		548,730
Total sales and services	\$ 5,147,860	5,576,003	\$ 428,143	4,844,488
Investment earnings	400,000	332,301	(67,699)	381,105
Other Revenues:				
Parking violation penalty		340,409		265,539
Other revenues		711,434		2,359,849
Total other revenues	1,465,875	1,051,843	(414,032)	2,625,388
Total Revenues	75,623,610	75,041,957	(581,653)	74,106,322
Expenditures:				
General Government:				
Mayor and City Council		534,543		411,076
City Manager		2,409,566		2,452,126
City Clerk		254,946		248,789
City Attorney		471,153		457,682
Human Resources		2,850,800		2,627,508
Financial Services		2,370,194		2,442,784
Information Technology		3,037,385		3,042,440
Total general government	12,321,606	11,928,587	393,019	11,682,405
Public Safety:				
Fire and rescue		14,610,394		13,935,067
Police		25,960,778		23,763,595
Total public safety	41,735,712	40,571,172	1,164,540	37,698,662
Public Works:				
Other public works		8,148,441		7,662,257
Streets		1,150,038		1,309,132
Total public works	11,094,044	9,298,479	1,795,565	8,971,389
Economic and Physical Development:				
Community development		2,688,578		2,473,800
Total economic and physical development	2,702,946	2,688,578	14,368	2,473,800

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Cultural and Recreational:				
Recreation		\$ 7,535,695		\$ 7,851,087
Total cultural and recreational	\$ 7,554,592	7,535,695	\$ 18,897	7,851,087
Reimbursement of indirect cost	(1,459,519)	(1,522,110)	62,591	(1,311,578)
Contribution to OPEB trust	500,000	500,000	-	500,000
Total expenditures	74,449,381	71,000,401	3,448,980	67,865,765
Revenues over (under) expenditures	1,174,229	4,041,556	2,867,327	6,240,557
Other Financing Sources (Uses):				
Transfers to/from other funds:				
Greenville Utilities Commission turnover	5,813,733	5,853,236	39,503	5,899,987
Greenville Utilities Commission, lighting reimbursement	798,682	747,547	(51,135)	761,912
Other funds	158,400	253,890	95,490	86,818
Transfers to other funds	(19,561,925)	(19,418,526)	143,399	(14,010,301)
Contingency	(11,500)	-	11,500	-
Appropriated fund balance	11,628,381	-	(11,628,381)	-
Total other financing sources (uses)	(1,174,229)	(12,563,853)	(11,389,624)	(7,261,584)
Net change in fund balance	\$ -	(8,522,297)	\$ (8,522,297)	(1,021,027)
Fund Balance:				
Fund balance, beginning of year – July 1		31,421,084		32,442,111
Fund balance, end of year – June 30		\$ 22,898,787		\$ 31,421,084



Non-Major Governmental Fund Statements

FY 2018 Comprehensive
Annual Financial Report

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

Schedule B-1

JUNE 30, 2018

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Assets:				
Cash and cash equivalents	\$ 1,342,707	\$ 25,294	\$ 13,057,458	\$ 14,425,459
Accounts receivable, net	915,172	-	4,040,846	4,956,018
Interest receivable	3,798	-	-	3,798
Due from other funds	-	98,767	-	98,767
Due from other governments	43,367	-	-	43,367
Prepaid items and deposits	84,116	-	-	84,116
Restricted cash and investments	930,273	770,797	4,416,633	6,117,703
Total assets	\$ 3,319,433	\$ 894,858	\$ 21,514,937	\$ 25,729,228
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 70,088	\$ -	\$ 204,253	\$ 274,341
Advances from grantors	167,842	-	30,872	198,714
Due to other funds	249,776	-	131,435	381,211
Restricted accounts payable and accrued liabilities	-	-	1,325,612	1,325,612
Total liabilities	487,706	-	1,692,172	2,179,878
Deferred Inflows of Resources:				
Accounts/loans receivable	-	-	2,471,178	2,471,178
Total deferred inflows of resources	-	-	2,471,178	2,471,178
Fund Balances:				
Nonspendable:				
Prepaid items	84,116	-	-	84,116
Loans receivable	414,168	-	301,795	715,963
Restricted:				
Stabilization by State statute	548,169	98,767	1,267,873	1,914,809
Restricted for general government	540,232	-	-	540,232
Restricted for economic development	390,041	-	4,416,633	4,806,674
Restricted for cultural and recreational	-	-	-	-
Restricted for debt service	-	770,797	-	770,797
Committed:				
Committed for general government	212,976	-	300,883	513,859
Committed for cultural and recreational	66,921	-	3,646,613	3,713,534
Committed for public safety	-	-	626,896	626,896
Committed for economic development	302,868	-	1,383,535	1,686,403
Committed for capital outlays	-	-	5,538,794	5,538,794
Committed for debt service	-	25,294	-	25,294
Assigned:				
Assigned for subsequent year's expenditures	22,618	-	-	22,618
Assigned for cultural and recreational	803,188	-	-	803,188
Unassigned	(553,570)	-	(131,435)	(685,005)
Total fund balances	2,831,727	894,858	17,351,587	21,078,172
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,319,433	\$ 894,858	\$ 21,514,937	\$ 25,729,228

NONMAJOR GOVERNMENTAL FUNDS

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

YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Revenues:				
Other taxes	\$ -	\$ 783,005	\$ 398,551	\$ 1,181,556
Restricted intergovernmental	3,334,845	-	5,403,390	8,738,235
Investment earnings	1,830	32,809	56,797	91,436
Other revenues	<u>267,217</u>	<u>-</u>	<u>124,402</u>	<u>391,619</u>
Total revenues	<u>3,603,892</u>	<u>815,814</u>	<u>5,983,140</u>	<u>10,402,846</u>
Expenditures:				
Current:				
General government	58,835	-	188,115	246,950
Public safety	-	-	61,691	61,691
Environmental protection	-	-	1,453,541	1,453,541
Public works	-	-	1,500,000	1,500,000
Cultural and recreational	2,449,883	-	1,098,317	3,548,200
Economic and physical development	2,351,728	-	7,627,946	9,979,674
Principal retirement	-	4,577,702	-	4,577,702
Interest and fees	<u>-</u>	<u>1,082,681</u>	<u>-</u>	<u>1,082,681</u>
Total expenditures	<u>4,860,446</u>	<u>5,660,383</u>	<u>11,929,610</u>	<u>22,450,439</u>
Revenues over expenditures	<u>(1,256,554)</u>	<u>(4,844,569)</u>	<u>(5,946,470)</u>	<u>(12,047,593)</u>
Other Financing Sources (Uses):				
Transfers from other funds	2,025,701	4,737,002	12,133,152	18,895,855
Transfers to other funds	<u>(100,100)</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(2,100,100)</u>
Total other financing sources (uses)	<u>1,925,601</u>	<u>4,737,002</u>	<u>10,133,152</u>	<u>16,795,755</u>
Net change in fund balances	669,047	(107,567)	4,186,682	4,748,162
Fund Balances:				
Fund balances, beginning of year – July 1,	<u>2,162,680</u>	<u>1,002,425</u>	<u>13,164,905</u>	<u>16,330,010</u>
Fund balances, end of year – June 30	<u>\$ 2,831,727</u>	<u>\$ 894,858</u>	<u>\$ 17,351,587</u>	<u>\$ 21,078,172</u>

CITY OF GREENVILLE, NORTH CAROLINA

Schedule C-1

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2018

	Community Development and HOME Fund	Sheppard Memorial Library	Housing Trust Fund	Centralized Grant Fund	FEMA Fund	Total
Assets:						
Cash and cash equivalents	\$ 133,019	\$ 996,712	\$ -	\$ -	\$ 212,976	\$ 1,342,707
Accounts receivable, net	786,081	-	7,129	121,530	432	915,172
Interest receivable	-	3,798	-	-	-	3,798
Due from other governments	-	43,367	-	-	-	43,367
Prepaid items	-	84,116	-	-	-	84,116
Restricted cash and investments	-	-	15,608	745,466	169,199	930,273
Total assets	<u>\$ 919,100</u>	<u>\$ 1,127,993</u>	<u>\$ 22,737</u>	<u>\$ 866,996</u>	<u>\$ 382,607</u>	<u>\$ 3,319,433</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 47,341	\$ 8,932	\$ -	\$ 13,815	\$ -	\$ 70,088
Advances from grantors	-	-	-	167,842	-	167,842
Due to other funds	154,723	95,053	-	-	-	249,776
Total liabilities	<u>202,064</u>	<u>103,985</u>	<u>-</u>	<u>181,657</u>	<u>-</u>	<u>487,706</u>
Deferred Inflows of Resources:						
Accounts/loans receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable:						
Prepaid items	-	84,116	-	-	-	84,116
Loans receivable	414,168	-	-	-	-	414,168
Restricted:						
Stabilization by State statute	371,913	47,165	7,129	121,530	432	548,169
Restricted for general government	-	-	-	371,033	169,199	540,232
Restricted for economic and physical development	-	-	15,608	374,433	-	390,041
Committed:						
Committed for general government	-	-	-	-	212,976	212,976
Committed for cultural and recreational	-	66,921	-	-	-	66,921
Committed for economic and physical development	302,868	-	-	-	-	302,868
Assigned:						
Assigned for subsequent year's expenditures	-	22,618	-	-	-	22,618
Assigned for cultural and recreational	-	803,188	-	-	-	803,188
Unassigned	(371,913)	-	-	(181,657)	-	(553,570)
Total fund balances	<u>717,036</u>	<u>1,024,008</u>	<u>22,737</u>	<u>685,339</u>	<u>382,607</u>	<u>2,831,727</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 919,100</u>	<u>\$ 1,127,993</u>	<u>\$ 22,737</u>	<u>\$ 866,996</u>	<u>\$ 382,607</u>	<u>\$ 3,319,433</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

YEAR ENDED JUNE 30, 2018

	Community Development and HOME Fund	Sheppard Memorial Library	Housing Trust Fund	Centralized Grant Fund	FEMA Fund	Total
Revenues:						
Restricted intergovernmental	\$ 909,928	\$ 988,389	\$ -	\$ 846,990	\$ 589,538	\$ 3,334,845
Investment earnings	-	1,830	-	-	-	1,830
Other revenues	<u>105,179</u>	<u>161,821</u>	<u>217</u>	<u>-</u>	<u>-</u>	<u>267,217</u>
Total revenues	<u>1,015,107</u>	<u>1,152,040</u>	<u>217</u>	<u>846,990</u>	<u>589,538</u>	<u>3,603,892</u>
Expenditures:						
Current:						
General government	-	-	-	-	58,835	58,835
Cultural and recreational	-	2,449,883	-	-	-	2,449,883
Economic and physical development	<u>1,177,363</u>	<u>-</u>	<u>1,382</u>	<u>1,172,983</u>	<u>-</u>	<u>2,351,728</u>
Total expenditures	<u>1,177,363</u>	<u>2,449,883</u>	<u>1,382</u>	<u>1,172,983</u>	<u>58,835</u>	<u>4,860,446</u>
Revenues over (under) expenditures	<u>(162,256)</u>	<u>(1,297,843)</u>	<u>(1,165)</u>	<u>(325,993)</u>	<u>530,703</u>	<u>(1,256,554)</u>
Other Financing Sources (Uses):						
Transfers from other funds	300,806	1,232,969	-	491,926	-	2,025,701
Transfers to other funds	<u>(100,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,100)</u>
Total other financing sources	<u>200,706</u>	<u>1,232,969</u>	<u>-</u>	<u>491,926</u>	<u>-</u>	<u>1,925,601</u>
Net change in fund balances	38,450	(64,874)	(1,165)	165,933	530,703	669,047
Fund Balances:						
Fund balance, beginning of year – July 1	<u>678,586</u>	<u>1,088,882</u>	<u>23,902</u>	<u>519,406</u>	<u>(148,096)</u>	<u>2,162,680</u>
Fund balance, end of year – June 30	<u>\$ 717,036</u>	<u>\$ 1,024,008</u>	<u>\$ 22,737</u>	<u>\$ 685,339</u>	<u>\$ 382,607</u>	<u>\$ 2,831,727</u>

COMMUNITY DEVELOPMENT AND HOME FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
CDBG and Home Entitlement Program:					
Property owners matching fund	\$ -	\$ 42,570	\$ -	\$ -	\$ 42,570
Federal grant, HUD	4,590,602	13,996,034	-	909,928	14,905,962
Other grants	-	-	-	-	-
Consortium members	-	13,666	-	-	13,666
Loan payments	416,289	402,755	-	83,966	486,721
Interest income	-	25	-	-	25
Sale of acquired property	150,500	404,619	-	21,213	425,832
Total revenues	<u>5,157,391</u>	<u>14,859,669</u>	<u>-</u>	<u>1,015,107</u>	<u>15,874,776</u>
Expenditures:					
CDBG and Home Entitlement Program:					
Administration	2,026,235	3,329,883	-	514,103	3,843,986
Rehabilitation – third-party owned dwellings	2,124,997	5,941,774	-	487,877	6,429,651
Rehabilitation – rental	-	62,875	-	-	62,875
Outside agency funding	589,916	1,077,849	-	65,103	1,142,952
Acquisition dilapidated	165,544	430,596	-	-	430,596
Code enforcement	186,815	178,110	-	-	178,110
Conversion program	-	-	-	-	-
Small area revitalization	-	5,000	-	-	5,000
Demolition grants	111,553	131,360	-	-	131,360
Secondary mortgage	595,351	703,060	-	20,000	723,060
Economic Development Study, West Greenville/ Meadowbrook	326,993	269,432	-	-	269,432
Neighborhood input grants	-	-	-	-	-
Concentrated needs	-	-	-	-	-
Sewer Oakgrove	-	-	-	-	-
Other expenses	-	58,010	-	-	58,010
Relocation	35,000	46,481	-	-	46,481
Contribution to other consortium members	219,489	3,745,508	-	90,280	3,835,788
Capital outlay	12,403	11,834	-	-	11,834
Total expenditures	<u>6,394,296</u>	<u>15,991,772</u>	<u>-</u>	<u>1,177,363</u>	<u>17,169,135</u>
Revenues under expenditures	<u>(1,236,905)</u>	<u>(1,132,103)</u>	<u>-</u>	<u>(162,256)</u>	<u>(1,294,359)</u>
Other Financing Sources (Uses):					
Transfers in (out):					
Transfers from other funds	2,094,565	2,576,946	-	300,806	2,877,752
Transfers to other funds	<u>(857,660)</u>	<u>(766,257)</u>	<u>-</u>	<u>(100,100)</u>	<u>(866,357)</u>
Total other financing sources	<u>1,236,905</u>	<u>1,810,689</u>	<u>-</u>	<u>200,706</u>	<u>2,011,395</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 678,586</u>	<u>\$ -</u>	<u>38,450</u>	<u>\$ 717,036</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>678,586</u>	
Fund balance, end of year – June 30				<u>\$ 717,036</u>	

SHEPPARD MEMORIAL LIBRARY FUND

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

YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Positive/ Negative
Revenues:			
Pitt County - operating	\$ 592,718	\$ 592,718	\$ -
Town of Bethel	21,108	21,108	-
Town of Winterville	165,300	165,300	-
Pitt County for Town of Bethel and Winterville	12,000	12,000	-
State aid	197,262	197,263	1
Fees	112,468	111,059	(1,409)
Interest earnings	1,500	1,830	330
Greenville Housing Authority	10,692	10,692	-
Miscellaneous	37,350	40,070	2,720
Total revenues	<u>1,150,398</u>	<u>1,152,040</u>	<u>1,642</u>
Expenditures:			
Current:			
Cultural and recreational:			
Salaries and benefits	1,619,358	1,553,655	65,703
Greenville Housing Authority	10,692	11,033	(341)
Other operating expenditures	525,992	300,877	225,115
Maintenance and repairs	260,895	241,379	19,516
Capital outlay	198,266	342,939	(144,673)
Total expenditures	<u>2,615,203</u>	<u>2,449,883</u>	<u>165,320</u>
Revenues over (under) expenditures	<u>(1,464,805)</u>	<u>(1,297,843)</u>	<u>166,962</u>
Other Financing Sources (Uses):			
Transfers in - City of Greenville - operating	1,232,969	1,232,969	-
Appropriated fund balance	231,836	-	(231,836)
Total other financing sources (uses)	<u>1,464,805</u>	<u>1,232,969</u>	<u>(231,836)</u>
Net change in fund balance	<u>\$ -</u>	<u>(64,874)</u>	<u>\$ (64,874)</u>
Fund Balances:			
Fund balance, beginning of year – July 1		<u>1,088,882</u>	
Fund balance, end of year – June 30		<u>\$ 1,024,008</u>	

HOUSING TRUST FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<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	<u>31,003</u>	<u>37,996</u>	<u>217</u>	<u>38,213</u>
Total revenues	<u>221,975</u>	<u>229,045</u>	<u>217</u>	<u>229,262</u>
Expenditures:				
Small area revitalization	22,332	20,240	73	20,313
Rehabilitation	221,113	215,374	-	215,374
Other expenditures	<u>99,530</u>	<u>90,529</u>	<u>1,309</u>	<u>91,838</u>
Total expenditures	<u>342,975</u>	<u>326,143</u>	<u>1,382</u>	<u>327,525</u>
Revenues under expenditures	(121,000)	(97,098)	(1,165)	(98,263)
Other Financing Sources:				
Transfers from other funds	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 23,902</u>	<u>(1,165)</u>	<u>\$ 22,737</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>23,902</u>	
Fund balance, end of year – June 30			<u>\$ 22,737</u>	

CENTRALIZED GRANT PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and State grants	\$ 5,440,588	\$ 2,658,698	\$ 846,990	\$ 3,505,688
Investment income	-	1	-	1
Other revenue	-	2,211	-	2,211
Total revenues	<u>5,440,588</u>	<u>2,660,910</u>	<u>846,990</u>	<u>3,507,900</u>
Expenditures:				
Operating	5,574,607	1,973,746	791,355	2,765,101
Capital outlay	1,061,609	656,074	381,628	1,037,702
Total expenditures	<u>6,636,216</u>	<u>2,629,820</u>	<u>1,172,983</u>	<u>3,802,803</u>
Revenues over (under) expenditures	<u>(1,195,628)</u>	<u>31,090</u>	<u>(325,993)</u>	<u>(294,903)</u>
Other Financing Sources (Uses):				
Transfers to other funds	(33,146)	(33,146)	-	(33,146)
Transfers from other funds	1,228,774	521,462	491,926	1,013,388
Total other financing sources	<u>1,195,628</u>	<u>488,316</u>	<u>491,926</u>	<u>980,242</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 519,406</u>	165,933	<u>\$ 685,339</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>519,406</u>	
Fund balance, end of year – June 30			<u>\$ 685,339</u>	

FEMA FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Restricted Intergovernmental:				
Federal, State, and local grants	\$ 2,000,000	\$ -	\$ 589,538	\$ 589,538
Total restricted intergovernmental	<u>2,000,000</u>	<u>-</u>	<u>589,538</u>	<u>589,538</u>
Total revenues	<u>2,000,000</u>	<u>-</u>	<u>589,538</u>	<u>589,538</u>
Expenditures:				
Current:				
General government:				
Hurricane Matthew	<u>2,000,600</u>	<u>148,696</u>	<u>58,835</u>	<u>207,531</u>
Total expenditures	<u>2,000,600</u>	<u>148,696</u>	<u>58,835</u>	<u>207,531</u>
Revenues over (under) expenditures	<u>(600)</u>	<u>(148,696)</u>	<u>530,703</u>	<u>382,007</u>
Other Financing Sources:				
Transfer from other funds	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (148,096)</u>	<u>530,703</u>	<u>\$ 382,607</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>(148,096)</u>	
Fund balance, end of year – June 30			<u>\$ 382,607</u>	

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

Schedule D-1

JUNE 30, 2018

	Affordable Housing Project Fund	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Street Improvement Fund	Community Development Fund	IT Fund	Police Fund	Capital Reserve Fund	Total
Assets:										
Cash and cash equivalents	\$ 470,579	\$ 3,336,119	\$ 1,923,768	\$ 463,968	\$ -	\$ 393,851	\$ 303,483	\$ 626,896	\$ 5,538,794	\$ 13,057,458
Accounts receivable, net	301,795	-	3,708,453	30,598	-	-	-	-	-	4,040,846
Restricted cash and investments	-	-	2,126,994	-	2,289,639	-	-	-	-	4,416,633
Total assets	\$ 772,374	\$ 3,336,119	\$ 7,759,215	\$ 494,566	\$ 2,289,639	\$ 393,851	\$ 303,483	\$ 626,896	\$ 5,538,794	\$ 21,514,937
Liabilities, Deferred Inflows of Resources, and Fund Balances:										
Liabilities:										
Accounts payable and accrued liabilities	\$ 33,804	\$ 153,474	\$ -	\$ -	\$ -	\$ 14,375	\$ 2,600	\$ -	\$ -	\$ 204,253
Advances from grantors	-	-	30,872	-	-	-	-	-	-	30,872
Due to other funds	-	-	-	-	131,435	-	-	-	-	131,435
Restricted accounts payable and accrued liabilities	-	-	1,325,612	-	-	-	-	-	-	1,325,612
Total liabilities	33,804	153,474	1,356,484	-	131,435	14,375	2,600	-	-	1,692,172
Deferred Inflows of Resources:										
Accounts receivable	-	-	2,471,178	-	-	-	-	-	-	2,471,178
Total deferred inflows of resources	-	-	2,471,178	-	-	-	-	-	-	2,471,178
Fund Balances:										
Nonspendable:										
Loans receivable	301,795	-	-	-	-	-	-	-	-	301,795
Restricted:										
Stabilization by State statute	-	-	1,237,275	30,598	-	-	-	-	-	1,267,873
Restricted for economic development	-	-	2,126,994	-	2,289,639	-	-	-	-	4,416,633
Committed:										
Committed for general government	-	-	-	-	-	-	300,883	-	-	300,883
Committed for cultural and recreational	-	3,182,645	-	463,968	-	-	-	-	-	3,646,613
Committed for public safety	-	-	-	-	-	-	-	626,896	-	626,896
Committed for economic development	436,775	-	567,284	-	-	379,476	-	-	-	1,383,535
Committed for capital outlays	-	-	-	-	-	-	-	-	5,538,794	5,538,794
Unassigned	-	-	-	-	(131,435)	-	-	-	-	(131,435)
Total fund balances	738,570	3,182,645	3,931,553	494,566	2,158,204	379,476	300,883	626,896	5,538,794	17,351,587
Total liabilities, deferred inflows of resources, and fund balances	\$ 772,374	\$ 3,336,119	\$ 7,759,215	\$ 494,566	\$ 2,289,639	\$ 393,851	\$ 303,483	\$ 626,896	\$ 5,538,794	\$ 21,514,937

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

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

YEAR ENDED JUNE 30, 2018

	Affordable Housing Project Fund	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Street Improvement Fund	Community Development Fund	IT Fund	Police Fund	Capital Reserve Fund	Total
Revenues:										
Restricted intergovernmental	\$ -	\$ -	\$ 4,962,170	\$ 291,220	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 5,403,390
Other taxes and licenses	-	-	398,551	-	-	-	-	-	-	398,551
Investment earnings	-	-	1,937	-	52,983	39	-	12	1,826	56,797
Other revenues	18,243	-	64,328	-	-	41,831	-	-	-	124,402
Total revenues	18,243	-	5,426,986	291,220	52,983	191,870	-	12	1,826	5,983,140
Expenditures:										
Current:										
General government	-	-	-	-	-	-	188,115	-	-	188,115
Public safety	-	-	-	-	-	-	-	61,691	-	61,691
Environmental protection	-	-	-	-	1,453,541	-	-	-	-	1,453,541
Public Works	-	-	-	-	1,500,000	-	-	-	-	1,500,000
Cultural and recreational	-	979,029	-	119,288	-	-	-	-	-	1,098,317
Economic and physical development	21,060	47,309	7,452,656	-	-	106,921	-	-	-	7,627,946
Total current expenditures	21,060	1,026,338	7,452,656	119,288	2,953,541	106,921	188,115	61,691	-	11,929,610
Debt service:										
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	21,060	1,026,338	7,452,656	119,288	2,953,541	106,921	188,115	61,691	-	11,929,610
Revenues over (under) expenditures	(2,817)	(1,026,338)	(2,025,670)	171,932	(2,900,558)	84,949	(188,115)	(61,679)	1,826	(5,946,470)
Other Financing Sources (Uses):										
Transfers from other funds	-	2,890,588	3,610,431	-	-	-	-	538,330	5,093,803	12,133,152
Transfer to other funds	-	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)
Total other financing sources	-	2,890,588	3,610,431	-	-	-	-	538,330	3,093,803	10,133,152
Net change in fund balances	(2,817)	1,864,250	1,584,761	171,932	(2,900,558)	84,949	(188,115)	476,651	3,095,629	4,186,682
Fund Balances:										
Fund balances, beginning of year – July 1,	741,387	1,318,395	2,346,792	322,634	5,058,762	294,527	488,998	150,245	2,443,165	13,164,905
Fund balances, end of year – June 30	\$ 738,570	\$ 3,182,645	\$ 3,931,553	\$ 494,566	\$ 2,158,204	\$ 379,476	\$ 300,883	\$ 626,896	\$ 5,538,794	\$ 17,351,587

AFFORDABLE HOUSING CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Interest earnings	\$ 180,500	\$ 190,930	\$ -	\$ -	\$ 190,930
Other revenues	492,100	703,449	-	18,243	721,692
Sale of property	<u>1,706,000</u>	<u>1,807,737</u>	<u>-</u>	<u>-</u>	<u>1,807,737</u>
Total revenues	<u>2,378,600</u>	<u>2,702,116</u>	<u>-</u>	<u>18,243</u>	<u>2,720,359</u>
Expenditures:					
Current:					
Economic and Physical Development:					
Affordable Housing Project	<u>3,903,600</u>	<u>3,486,204</u>	<u>-</u>	<u>21,060</u>	<u>3,507,264</u>
Total expenditures	<u>3,903,600</u>	<u>3,486,204</u>	<u>-</u>	<u>21,060</u>	<u>3,507,264</u>
Revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(784,088)</u>	<u>-</u>	<u>(2,817)</u>	<u>(786,905)</u>
Other Financing Sources:					
Transfer from General Fund	525,000	525,000	-	-	525,000
Bonds issued	<u>1,000,000</u>	<u>1,000,475</u>	<u>-</u>	<u>-</u>	<u>1,000,475</u>
Total other financing sources	<u>1,525,000</u>	<u>1,525,475</u>	<u>-</u>	<u>-</u>	<u>1,525,475</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 741,387</u>	<u>\$ -</u>	<u>(2,817)</u>	<u>\$ 738,570</u>
Fund Balance:					
Fund balances, beginning of year – July 1				<u>741,387</u>	
Fund balance, end of year – June 30				<u>\$ 738,570</u>	

RECREATION AND PARKS CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Restricted Intergovernmental:					
Federal, State, and local grants	\$ 1,550,124	\$ 1,254,225	\$ -	\$ -	\$ 1,254,225
Total restricted intergovernmental	<u>1,550,124</u>	<u>1,254,225</u>	<u>-</u>	<u>-</u>	<u>1,254,225</u>
Miscellaneous:					
Interest	-	173	-	-	173
Total miscellaneous	<u>-</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>173</u>
Total revenues	<u>1,550,124</u>	<u>1,254,398</u>	<u>-</u>	<u>-</u>	<u>1,254,398</u>
Expenditures:					
Current:					
Cultural and Recreational:					
Town Common	1,446,965	20,031	-	672,328	692,359
Sycamore	2,000,000	-	-	2,655	2,655
East Side Park Development	181,255	-	-	10,070	10,070
West Side Park Development	90,300	-	-	30,105	30,105
Tar River Master Plan	183,000	-	-	1,807	1,807
Tar River Development	310,632	20,229	-	126,711	146,940
Westside Land Acquisitions	271,153	228,862	-	28,963	257,825
Water Sports Facility	<u>239,390</u>	<u>-</u>	<u>-</u>	<u>106,390</u>	<u>106,390</u>
Total cultural and recreational expenditures	<u>4,722,695</u>	<u>269,122</u>	<u>-</u>	<u>979,029</u>	<u>1,248,151</u>
Economic and Physical Development:					
Play Together Construction Grant	1,000,000	995,183	-	4,816	999,999
South Greenville Reconstruction	<u>3,499,500</u>	<u>3,400,315</u>	<u>-</u>	<u>42,493</u>	<u>3,442,808</u>
Total economic and physical development expenditures	<u>4,499,500</u>	<u>4,395,498</u>	<u>-</u>	<u>47,309</u>	<u>4,442,807</u>
Total expenditures	<u>9,222,195</u>	<u>4,664,620</u>	<u>-</u>	<u>1,026,338</u>	<u>5,690,958</u>
Revenues over (under) expenditures	<u>(7,672,071)</u>	<u>(3,410,222)</u>	<u>-</u>	<u>(1,026,338)</u>	<u>(4,436,560)</u>
Other Financing Sources and Uses:					
Transfer from other Fund	5,592,923	2,632,517	-	2,890,588	5,523,105
Transfer to other Fund	(20,852)	-	-	-	-
Bonds issued	<u>2,100,000</u>	<u>2,096,100</u>	<u>-</u>	<u>-</u>	<u>2,096,100</u>
Total other financing sources	<u>7,672,071</u>	<u>4,728,617</u>	<u>-</u>	<u>2,890,588</u>	<u>7,619,205</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,318,395</u>	<u>\$ -</u>	<u>1,864,250</u>	<u>\$ 3,182,645</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>1,318,395</u>	
Fund balance, end of year – June 30				<u>\$ 3,182,645</u>	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule D-5

PUBLIC WORKS CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<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	\$ 24,048,789	\$ 6,478,285	\$ -	\$ 4,962,170	\$ 11,440,455
Total restricted intergovernmental	<u>24,048,789</u>	<u>6,478,285</u>	<u>-</u>	<u>4,962,170</u>	<u>11,440,455</u>
Miscellaneous:					
Other	20,500	283,590	-	64,328	347,918
Interest earnings	33,440	13,710	-	1,937	15,647
Occupancy taxes	130,980	1,188,684	-	398,551	1,587,235
Total miscellaneous	<u>184,920</u>	<u>1,485,984</u>	<u>-</u>	<u>464,816</u>	<u>1,950,800</u>
Total revenues	<u>24,233,709</u>	<u>7,964,269</u>	<u>-</u>	<u>5,426,986</u>	<u>13,391,255</u>
Expenditures:					
Current:					
Economic and Physical Development:					
Street Improvement	7,785,372	4,168,765	-	1,220,852	5,389,617
CVA Expansion Phase III	4,730,980	4,655,809	-	5,979	4,661,788
GTAC Project	9,336,917	3,988,401	-	5,147,965	9,136,366
King George Bridge	1,341,089	676,071	-	25,109	701,180
Dickinson Ave. Area Parking	2,015,500	-	-	595,440	595,440
Street Lights/Pedestrian Safety	1,026,225	-	-	398,381	398,381
Sidewalk Development	-	-	-	46,870	46,870
Fire Station #3 Parking Lot	384,206	-	-	12,060	12,060
Computerized Traffic Signal System	8,883,151	-	-	-	-
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>48,833,971</u>	<u>25,577,422</u>	<u>-</u>	<u>7,452,656</u>	<u>33,030,078</u>
Revenues under expenditures	<u>(24,600,262)</u>	<u>(17,613,153)</u>	<u>-</u>	<u>(2,025,670)</u>	<u>(19,638,823)</u>
Other Financing Sources (Uses):					
Transfer from other funds	11,987,086	8,521,033	-	3,610,431	12,131,464
Transfers to other funds	(275,000)	(275,000)	-	-	(275,000)
Long-term debt issued	7,991,373	6,791,372	-	-	6,791,372
Bonds issued	4,896,803	4,922,540	-	-	4,922,540
Total other financing sources	<u>24,600,262</u>	<u>19,959,945</u>	<u>-</u>	<u>3,610,431</u>	<u>23,570,376</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 2,346,792</u>	<u>\$ -</u>	<u>1,584,761</u>	<u>\$ 3,931,553</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>2,346,792</u>	
Fund balance, end of year – June 30				<u>\$ 3,931,553</u>	

GREENWAYS CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<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	\$ 2,579,921	\$ 2,113,968	\$ -	\$ 291,220	\$ 2,405,188
Total restricted intergovernmental	<u>2,579,921</u>	<u>2,113,968</u>	<u>-</u>	<u>291,220</u>	<u>2,405,188</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>2,163,968</u>	<u>-</u>	<u>291,220</u>	<u>2,455,188</u>
Expenditures:					
Current:					
Cultural and Recreational:					
Green Mill Greenway	2,113,935	1,914,984	-	112,648	2,027,632
South Tar River Greenway Phase 3	<u>1,184,511</u>	<u>707,195</u>	<u>-</u>	<u>6,640</u>	<u>713,835</u>
Total expenditures	<u>3,298,446</u>	<u>2,622,179</u>	<u>-</u>	<u>119,288</u>	<u>2,741,467</u>
Revenues over (under) expenditures	<u>(718,525)</u>	<u>(458,211)</u>	<u>-</u>	<u>171,932</u>	<u>(286,279)</u>
Other Financing Sources:					
Transfer from other funds	718,525	780,845	-	-	780,845
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>718,525</u>	<u>780,845</u>	<u>-</u>	<u>-</u>	<u>780,845</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 322,634</u>	<u>\$ -</u>	<u>171,932</u>	<u>\$ 494,566</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>322,634</u>	
Fund balance, end of year – June 30				<u>\$ 494,566</u>	

CITY OF GREENVILLE, NORTH CAROLINA
STREET IMPROVEMENT CAPITAL PROJECTS FUND

Schedule D-7

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ 38,077	\$ 52,983	\$ 91,060
Other	-	-	-	-
Total restricted intergovernmental	-	38,077	52,983	91,060
Total revenues	-	38,077	52,983	91,060
Expenditures:				
Current:				
General Government:				
West 5th Streetscape	1,950,000	-	-	-
Public Works:				
Statons Road/10th Street	1,750,000	-	1,500,000	1,500,000
Sidewalks	1,400,000	-	-	-
Total transportation expenditures	3,150,000	-	1,500,000	1,500,000
Environmental Protection:				
Bond resurfacing project	10,000,000	3,534,046	1,453,541	4,987,587
Cultural and Recreational:				
Eastside Greenway	750,000	10,000	-	10,000
Debt Service:				
Bond issuance costs	-	131,435	-	131,435
Total expenditures	15,850,000	3,675,481	2,953,541	6,629,022
Revenues under expenditures	(15,850,000)	(3,637,404)	(2,900,558)	(6,537,962)
Other Financing Sources:				
Bond proceeds	15,850,000	8,000,000	-	8,000,000
Premium on bonds	-	696,166	-	696,166
Total other financing sources	15,850,000	8,696,166	-	8,696,166
Revenues and other financing sources over (under) expenditures	\$ -	\$ 5,058,762	(2,900,558)	\$ 2,158,204
Fund Balance:				
Fund balance, beginning of year – July 1			5,058,762	
Fund balance, end of year – June 30			\$ 2,158,204	

COMMUNITY DEVELOPMENT CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<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	\$ 407,500	\$ 265,162	\$ -	\$ 150,000	\$ 415,162
Total restricted intergovernmental	<u>407,500</u>	<u>265,162</u>	<u>-</u>	<u>150,000</u>	<u>415,162</u>
Miscellaneous:					
Other	1,112,352	514,353	-	32,231	546,584
Sales and services	-	521,231	-	9,600	530,831
Interest earnings	399,639	406,538	-	39	406,577
Total miscellaneous	<u>1,511,991</u>	<u>1,442,122</u>	<u>-</u>	<u>41,870</u>	<u>1,483,992</u>
Total revenues	<u>1,919,491</u>	<u>1,707,284</u>	<u>-</u>	<u>191,870</u>	<u>1,899,154</u>
Expenditures:					
Current:					
Economic and Physical Development:					
Uptown Parking Deck	5,209,032	5,075,489	-	-	5,075,489
Center City Revitalization	5,188,656	5,147,469	-	16,187	5,163,656
Imperial Site Project	1,015,000	953,720	-	3,315	957,035
GUC Energy Improvement	375,000	203,545	-	80,306	283,851
Energy Efficiency Revolving Loan	260,121	251,056	-	-	251,056
West Greenville Revitalization	6,207,975	6,142,771	-	7,113	6,149,884
Total expenditures	<u>18,255,784</u>	<u>17,774,050</u>	<u>-</u>	<u>106,921</u>	<u>17,880,971</u>
Revenues over (under) expenditures	<u>(16,336,293)</u>	<u>(16,066,766)</u>	<u>-</u>	<u>84,949</u>	<u>(15,981,817)</u>
Other Financing Sources (Uses):					
Transfers to other funds	(185,500)	(160,500)	-	-	(160,500)
Transfers from other funds	1,475,500	1,475,500	-	-	1,475,500
Premium received on debt issue	48,747	48,747	-	-	48,747
Long-term debt issued	-	4,997,546	-	-	4,997,546
Bonds issued	14,997,546	10,000,000	-	-	10,000,000
Total other financing sources	<u>16,336,293</u>	<u>16,361,293</u>	<u>-</u>	<u>-</u>	<u>16,361,293</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 294,527</u>	<u>\$ -</u>	<u>84,949</u>	<u>\$ 379,476</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>294,527</u>	
Fund balance, end of year – June 30				<u>\$ 379,476</u>	

IT CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Expenditures:					
Current:					
General Government:					
ERP	\$ 2,500,000	\$ 2,011,002	\$ -	\$ 188,115	\$ 2,199,117
Total expenditures	<u>2,500,000</u>	<u>2,011,002</u>	<u>-</u>	<u>188,115</u>	<u>2,199,117</u>
Revenues under expenditures	<u>(2,500,000)</u>	<u>(2,011,002)</u>	<u>-</u>	<u>(188,115)</u>	<u>(2,199,117)</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	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 488,998</u>	<u>\$ -</u>	<u>(188,115)</u>	<u>\$ 300,883</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>488,998</u>	
Fund balance, end of year – June 30				<u>\$ 300,883</u>	

POLICE CAPITAL PROJECTS FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Miscellaneous:					
Other	\$ -	\$ 19,604	\$ -	\$ -	\$ 19,604
Interest earnings	-	6,199	-	12	6,211
Total miscellaneous	-	25,803	-	12	25,815
Total revenues	-	25,803	-	12	25,815
Expenditures:					
Current:					
Public Safety:					
New Technology for Public Safety	3,484,000	2,655,371	-	-	2,655,371
911 Communication System	312,830	-	-	1,182	1,182
Police Telecommunications Software	1,159,676	-	-	-	-
Police Storage Facility	1,744,984	1,442,257	-	60,509	1,502,766
Total expenditures	6,701,490	4,097,628	-	61,691	4,159,319
Revenues under expenditures	(6,701,490)	(4,071,825)	-	(61,679)	(4,133,504)
Other Financing Sources (Uses):					
Proceeds from installment financing	1,519,484	1,500,000	-	-	1,500,000
Bond proceeds	963,550	-	-	-	-
Transfer from other funds	4,218,456	3,484,000	-	538,330	4,022,330
Transfer to other funds	-	(761,930)	-	-	(761,930)
Total other financing sources	6,701,490	4,222,070	-	538,330	4,760,400
Revenues and other financing sources over expenditures	\$ -	\$ 150,245	\$ -	476,651	\$ 626,896
Fund Balance:					
Fund balance, beginning of year – July 1				150,245	
Fund balance, end of year – June 30				\$ 626,896	

CAPITAL RESERVE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Investment earnings	\$ -	\$ 1,826	\$ 1,826
Total revenues	<u>-</u>	<u>1,826</u>	<u>1,826</u>
Revenues over expenditures	<u>-</u>	<u>1,826</u>	<u>1,826</u>
Other Financing Sources (Uses):			
Appropriated fund balance	-	-	-
Increase in reserve	(2,293,803)	-	2,293,803
Transfers from other funds	5,093,803	5,093,803	-
Transfers to other funds	<u>(2,800,000)</u>	<u>(2,000,000)</u>	<u>800,000</u>
Total other financing sources	<u>-</u>	<u>3,093,803</u>	<u>3,093,803</u>
Net change in fund balance	<u>\$ -</u>	<u>3,095,629</u>	<u>\$ 3,095,629</u>
Fund Balance:			
Fund balance, beginning of year – July 1		<u>2,443,165</u>	
Fund balance, end of year – July 1		<u>\$ 5,538,794</u>	



Debt Service Fund Statements

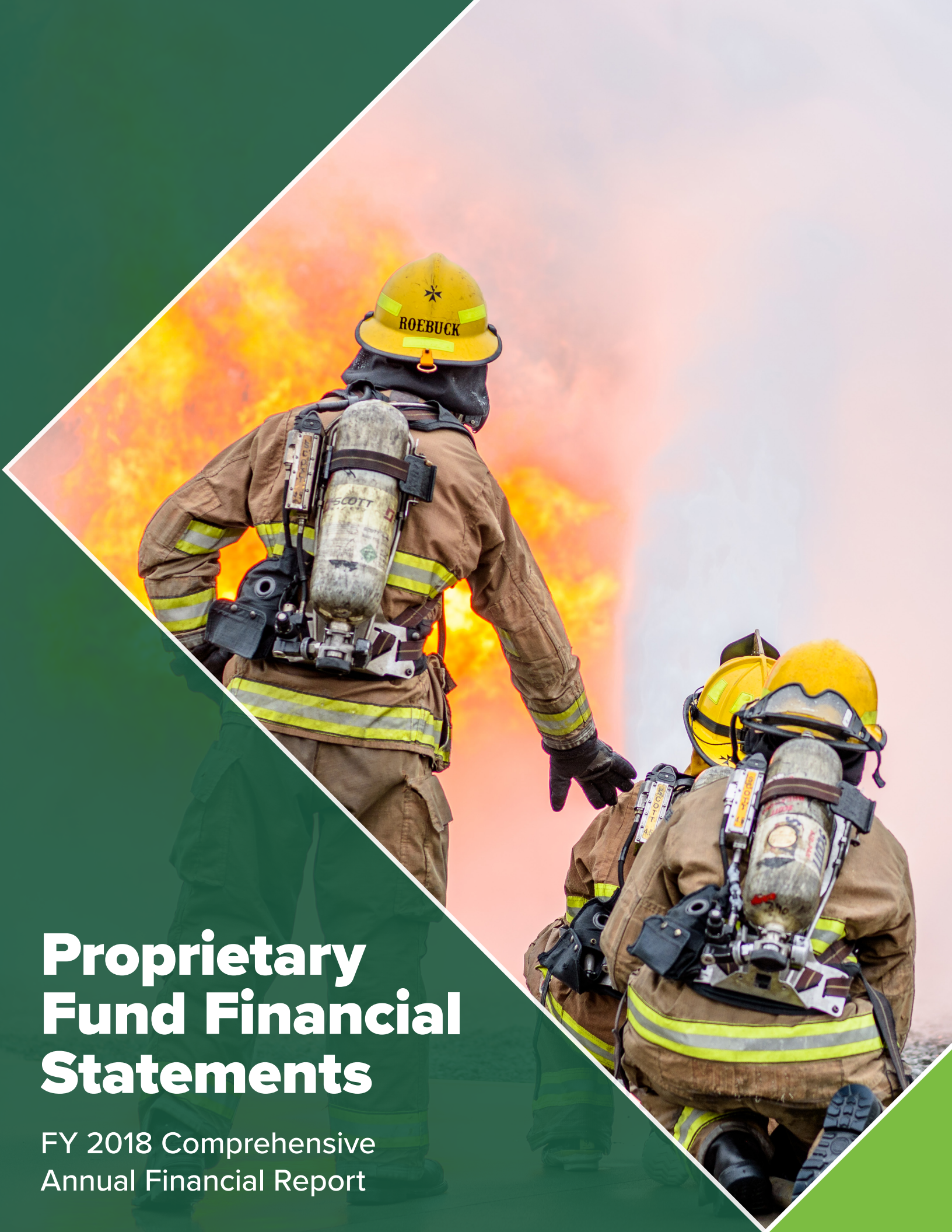
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NONMAJOR DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Other taxes	\$ 711,932	\$ 783,005	\$ 71,073
Energy efficient refund	-	-	-
Investment earnings	-	32,809	32,809
Total revenues	<u>711,932</u>	<u>815,814</u>	<u>103,882</u>
Expenditures:			
Current:			
Principal retirement	4,280,809	4,577,702	(296,893)
Interest and fees	1,168,125	1,082,681	85,444
Total expenditures	<u>5,448,934</u>	<u>5,660,383</u>	<u>(211,449)</u>
Revenues over (under) expenditures	<u>(4,737,002)</u>	<u>(4,844,569)</u>	<u>(107,567)</u>
Other Financing Sources:			
Transfers from other funds	4,737,002	4,737,002	-
Total other financing sources	<u>4,737,002</u>	<u>4,737,002</u>	<u>-</u>
Net change in fund balance	\$ -	(107,567)	\$ (107,567)
Fund Balance:			
Fund balance, beginning of year – July 1		<u>1,002,425</u>	
Fund balance, end of year – June 30		<u>\$ 894,858</u>	



Proprietary Fund Financial Statements

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ELECTRIC OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 172,634,605	\$ 173,216,856	\$ 582,251	\$ 173,232,911
Fees and charges	1,874,087	2,127,927	253,840	1,932,362
Miscellaneous	550,756	581,463	30,707	159,433
Total operating revenues	<u>175,059,448</u>	<u>175,926,246</u>	<u>866,798</u>	<u>175,324,706</u>
Nonoperating Revenues:				
Interest on investments	450,000	538,907	88,907	240,446
FEMA/insurance reimbursements	41,959	60,137	18,178	1,181,352
Miscellaneous	2,392,477	2,298,051	(94,426)	1,663,366
Total nonoperating revenues	<u>2,884,436</u>	<u>2,897,095</u>	<u>12,659</u>	<u>3,085,164</u>
Total revenues	<u>177,943,884</u>	<u>178,823,341</u>	<u>879,457</u>	<u>178,409,870</u>
Expenditures:				
Electric Fund:				
Operations and maintenance		158,793,073		162,176,734
Capital outlay		7,226,369		6,849,593
Debt service		3,089,613		3,191,579
Total expenditures	<u>173,843,884</u>	<u>169,109,055</u>	<u>4,734,829</u>	<u>172,217,906</u>
Excess of revenues over expenditures	<u>4,100,000</u>	<u>9,714,286</u>	<u>5,614,286</u>	<u>6,191,964</u>
Other Financing Sources (Uses):				
Intrafund transfers in	-	-	-	743,619
Intrafund transfers out	<u>(4,100,000)</u>	<u>(8,830,000)</u>	<u>(4,730,000)</u>	<u>(5,900,000)</u>
Total other financing uses	<u>(4,100,000)</u>	<u>(8,830,000)</u>	<u>(4,730,000)</u>	<u>(5,156,381)</u>
Revenues and other financing sources				
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 884,286		\$ 1,035,583
Budgetary appropriations – capital		7,226,369		6,849,593
Budgetary appropriations – debt principal		1,738,006		2,006,521
Depreciation		(9,022,087)		(8,992,077)
Amortization of bond premium and discount		134,594		134,594
Amortization of deferred loss on refundings		(61,735)		(63,051)
Capitalization of bond interest		-		300,069
Changes in accrued interest payable		11,487		(15,787)
Changes in unrealized gains/losses on investments		(133,167)		(52,417)
Intra-fund transfers		8,830,000		5,156,381
Changes in net OPEB liability		104,302		(145,051)
Changes in deferred outflows for pensions		(1,107,068)		2,639,034
Changes in net pension liability		1,025,791		(3,078,740)
Changes in deferred inflows for pensions		54,961		265,752
Revenue recognized in Rate Stabilization Fund		200,742		79,047
Revenue recognized in capital projects		69,419		52,088
Total reconciling items		<u>9,071,614</u>		<u>5,135,956</u>
Changes in net position		<u>\$ 9,955,900</u>		<u>\$ 6,171,539</u>

WATER OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 19,052,908	\$ 19,380,229	\$ 327,321	\$ 18,983,628
Fees and charges	466,407	582,827	116,420	384,290
Miscellaneous	112,169	111,896	(273)	79,809
Total operating revenues	<u>19,631,484</u>	<u>20,074,952</u>	<u>443,468</u>	<u>19,447,727</u>
Nonoperating Revenues:				
Interest on investments	88,000	97,521	9,521	56,151
FEMA/Insurance reimbursements	2,622	-	(2,622)	133,250
Miscellaneous	184,728	203,134	18,406	219,067
Total nonoperating revenues	<u>275,350</u>	<u>300,655</u>	<u>25,305</u>	<u>408,468</u>
Total revenues	<u>19,906,834</u>	<u>20,375,607</u>	<u>468,773</u>	<u>19,856,195</u>
Expenditures:				
Operations and maintenance		12,878,873		12,411,039
Capital outlay		1,843,348		1,132,519
Debt service		3,448,214		3,559,855
Total expenditures	<u>19,156,834</u>	<u>18,170,435</u>	<u>986,399</u>	<u>17,103,413</u>
Excess of revenues over expenditures	<u>750,000</u>	<u>2,205,172</u>	<u>1,455,172</u>	<u>2,752,782</u>
Other Financing Sources (Uses):				
Intrafund transfers out	(750,000)	(1,735,000)	(985,000)	(2,407,333)
Intrafund transfers in	-	-	-	73,548
Capital contributions	-	487,951	487,951	82,786
Total other financing uses	<u>(750,000)</u>	<u>(1,247,049)</u>	<u>(497,049)</u>	<u>(2,250,999)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 958,123</u>	<u>\$ 958,123</u>	<u>\$ 501,783</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 958,123		\$ 501,783
Budgetary appropriations – capital		1,843,348		1,132,519
Budgetary appropriations – debt principal		2,596,969		2,723,516
Depreciation		(3,943,788)		(3,825,939)
Amortization of bond premium and discount		127,360		127,360
Amortization of deferred loss on refundings		(99,573)		(100,268)
Capitalization of bond interest		-		58,462
Changes in accrued interest payable		18,069		6,754
Changes in unrealized gains/losses on investments		(17,400)		(6,531)
Intra-fund transfers		1,735,000		2,333,785
Changes in net OPEB liability		55,967		(63,609)
Changes in deferred outflows for pensions		(594,036)		1,416,067
Changes in net pension liability		550,424		(1,652,007)
Changes in deferred inflows for pensions		29,491		142,599
Revenue recognized in capital projects		413,700		214,020
Total reconciling items		<u>2,715,531</u>		<u>2,506,728</u>
Changes in net position		<u>\$ 3,673,654</u>		<u>\$ 3,008,511</u>

SEWER OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 22,256,478	\$ 22,439,848	\$ 183,370	\$ 22,232,340
Fees and charges	497,000	549,067	52,067	395,878
Miscellaneous	125,371	124,065	(1,306)	81,396
Total operating revenues	<u>22,878,849</u>	<u>23,112,980</u>	<u>234,131</u>	<u>22,709,614</u>
Nonoperating Revenues:				
Interest on investments	85,000	97,270	12,270	41,143
FEMA/insurance reimbursements	27,757	20,553	(7,204)	131,275
Miscellaneous	97,409	124,750	27,341	63,984
Total nonoperating revenues	<u>210,166</u>	<u>242,573</u>	<u>32,407</u>	<u>236,402</u>
Total revenues	<u>23,089,015</u>	<u>23,355,553</u>	<u>266,538</u>	<u>22,946,016</u>
Expenditures:				
Sewer Fund:				
Operations and maintenance		12,858,670		12,223,879
Capital outlay		1,373,786		1,244,528
Debt service		6,394,613		6,124,635
Total expenditures	<u>22,174,225</u>	<u>20,627,069</u>	<u>1,547,156</u>	<u>19,593,042</u>
Excess of revenues over expenditures	<u>914,790</u>	<u>2,728,484</u>	<u>1,813,694</u>	<u>3,352,974</u>
Other Financing Sources (Uses):				
Intrafund transfer out	(1,100,000)	(2,645,000)	(1,545,000)	(2,572,833)
Intrafund transfer in	170,915	170,915	-	154,733
Capital contributions	14,295	726,048	711,753	52,104
Total other financing uses	<u>(914,790)</u>	<u>(1,748,037)</u>	<u>(833,247)</u>	<u>(2,365,996)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 980,447</u>	<u>\$ 980,447</u>	<u>\$ 986,978</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over (under) expenditures		\$ 980,447		\$ 986,978
Budgetary appropriations – capital		1,373,786		1,244,528
Budgetary appropriations – debt principal		4,782,131		4,610,984
Depreciation		(6,251,534)		(5,981,002)
Amortization of bond premium and discount		111,935		111,935
Amortization of deferred loss on refundings		(76,924)		(79,724)
Capitalization of bond interest		-		78,468
Changes in accrued interest payable		(725)		1,148
Changes in unrealized gains/losses on investments		(27,276)		(9,841)
Intra-fund transfers		2,474,085		2,418,100
Changes in net OPEB liability		53,423		(65,653)
Changes in deferred outflows for pensions		(567,035)		1,351,700
Changes in net pension liability		525,405		(1,576,916)
Changes in deferred inflows for pensions		28,151		136,117
Revenue recognized in capital projects		614,480		391,908
Total reconciling items		<u>3,039,902</u>		<u>2,631,752</u>
Changes in net position		<u>\$ 4,020,349</u>		<u>\$ 3,618,730</u>

GAS OPERATING FUND – MAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 36,048,007	\$ 36,113,602	\$ 65,595	\$ 28,173,864
Fees and charges	155,947	159,092	3,145	151,126
Miscellaneous	102,544	105,347	2,803	198,807
Total operating revenues	<u>36,306,498</u>	<u>36,378,041</u>	<u>71,543</u>	<u>28,523,797</u>
Nonoperating Revenues:				
Interest on investments	125,000	145,864	20,864	70,917
FEMA/insurance reimbursements	5,245	-	(5,245)	134,809
Miscellaneous	86,251	156,644	70,393	128,492
Total nonoperating revenues	<u>216,496</u>	<u>302,508</u>	<u>86,012</u>	<u>334,218</u>
Total revenues	<u>36,522,994</u>	<u>36,680,549</u>	<u>157,555</u>	<u>28,858,015</u>
Expenditures:				
Gas Fund:				
Operations and maintenance		33,732,041		26,568,646
Capital outlay		966,403		1,379,520
Debt service		1,374,533		1,547,900
Total expenditures	<u>37,490,389</u>	<u>36,072,977</u>	<u>1,417,412</u>	<u>29,496,066</u>
Excess of revenues over (under) expenditures	<u>(967,395)</u>	<u>607,572</u>	<u>1,574,967</u>	<u>(638,051)</u>
Other Financing Sources (Uses):				
Intrafund transfers in	-	-	-	736,182
Intrafund transfers out	-	(1,200,000)	(1,200,000)	(750,000)
Appropriated fund balance	967,395	-	(967,395)	-
Total other financing sources (uses)	<u>967,395</u>	<u>(1,200,000)</u>	<u>(2,167,395)</u>	<u>(13,818)</u>
Revenues and other financing sources under expenditures and other financing uses	<u>\$ -</u>	<u>\$ (592,428)</u>	<u>\$ (592,428)</u>	<u>\$ (651,869)</u>
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ (592,428)		\$ (651,869)
Budgetary appropriations – capital		966,403		1,379,520
Budgetary appropriations – debt principal		845,665		1,079,872
Depreciation		(2,186,469)		(2,200,389)
Amortization of bond premium and discount		53,249		53,249
Capitalization of bond interest		-		67,310
Amortization of deferred loss on refundings		(31,284)		(33,199)
Changes in accrued interest payable		5,236		(2,564)
Changes in unrealized gains/losses on investments		(40,319)		(18,602)
Intrafund transfers		1,200,000		13,818
Changes in net OPEB liability		40,703		(57,453)
Changes in deferred outflows for pensions		(432,026)		1,029,867
Changes in net pension liability		400,309		(1,201,460)
Changes in deferred inflows for pensions		21,448		103,708
Revenue recognized in stabilization funds		6,869		4,437
Revenue recognized in capital projects		81,464		39,162
Total reconciling items		<u>931,248</u>		<u>257,276</u>
Changes in net position		<u>\$ 338,820</u>		<u>\$ (394,593)</u>

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

Schedule F-5

JUNE 30, 2018

	<u>Public Transportation Fund</u>	<u>Stormwater Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 45,896	\$ 6,284,031	\$ 2,284,483	\$ 8,614,410
Accounts receivable, net	-	858,082	837,070	1,695,152
Due from other governments	638,251	-	-	638,251
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	350	-	12,000	12,350
Restricted cash, cash equivalents, and investments	-	-	-	-
Total current assets	<u>684,497</u>	<u>7,142,113</u>	<u>3,133,553</u>	<u>10,960,163</u>
Noncurrent Assets:				
Construction in progress	-	2,742,415	-	2,742,415
Other capital assets, net of depreciation	759,080	8,405,138	152,114	9,316,332
Total noncurrent assets	<u>759,080</u>	<u>11,147,553</u>	<u>152,114</u>	<u>12,058,747</u>
Total assets	<u>1,443,577</u>	<u>18,289,666</u>	<u>3,285,667</u>	<u>23,018,910</u>
Deferred outflows of resources - refunding charges				
	-	85,012	-	85,012
Deferred outflows of resources - pensions	128,375	174,073	359,550	661,998
Deferred outflows of resources - OPEB	16,092	19,539	46,126	81,757
Total deferred outflows of resources	<u>144,467</u>	<u>278,624</u>	<u>405,676</u>	<u>828,767</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	43,736	604,911	239,974	888,621
Due to other funds	-	98,767	-	98,767
Current portion of compensated absences	28,030	-	124,130	152,160
Current maturities of long-term debt	-	375,083	157,142	532,225
Total current liabilities	<u>71,766</u>	<u>1,078,761</u>	<u>521,246</u>	<u>1,671,773</u>
Noncurrent Liabilities:				
Net pension liability	173,529	232,343	487,386	893,258
Noncurrent portion of compensated absences	14,935	-	60,614	75,549
Net OPEB liability	917,394	1,113,850	2,629,558	4,660,802
Noncurrent portion of long-term debt	-	2,739,371	484,869	3,224,240
Total noncurrent liabilities	<u>1,105,858</u>	<u>4,085,564</u>	<u>3,662,427</u>	<u>8,853,849</u>
Total liabilities	<u>1,177,624</u>	<u>5,164,325</u>	<u>4,183,673</u>	<u>10,525,622</u>
Deferred inflow of resources - pensions	16,542	22,137	46,461	85,140
Net Position:				
Net investment in capital assets	759,080	8,118,111	152,114	9,029,305
Unrestricted	(365,202)	5,263,717	(690,905)	4,207,610
Total net position	<u>\$ 393,878</u>	<u>\$ 13,381,828</u>	<u>\$ (538,791)</u>	<u>\$ 13,236,915</u>

NONMAJOR ENTERPRISE FUNDS

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

YEAR ENDED JUNE 30, 2018

	Public Transportation Fund	Stormwater Utility Fund	Sanitation Fund	Total
Operating Revenues:				
Changes for services	\$ 251,217	\$ 6,063,956	\$ 7,467,153	\$ 13,782,326
Other operating revenues	-	-	86,360	86,360
Total operating revenue	<u>251,217</u>	<u>6,063,956</u>	<u>7,553,513</u>	<u>13,868,686</u>
Operating Expenses:				
Administrative and general	104,607	-	-	104,607
Operations and maintenance	2,391,594	3,166,469	6,774,022	12,332,085
Depreciation and amortization	196,931	10,895	16,223	224,049
Total operating expenses	<u>2,693,132</u>	<u>3,177,364</u>	<u>6,790,245</u>	<u>12,660,741</u>
Operating income (loss)	<u>(2,441,915)</u>	<u>2,886,592</u>	<u>763,268</u>	<u>1,207,945</u>
Nonoperating Revenues (Expenses):				
Investment earnings	-	-	7	7
Federal grants	1,103,161	-	-	1,103,161
Loss on disposal of capital assets	-	-	-	-
Interest expense	-	(33,028)	(17,917)	(50,945)
Total nonoperating revenue (expenses)	<u>1,103,161</u>	<u>(33,028)</u>	<u>(17,910)</u>	<u>1,052,223</u>
Income (loss) before contributions and transfers	<u>(1,338,754)</u>	<u>2,853,564</u>	<u>745,358</u>	<u>2,260,168</u>
Transfers In (Out) and Capital Contributions:				
Capital contributions	-	568,603	-	568,603
Transfers to other funds	-	(97,500)	(306,290)	(403,790)
Transfers from other funds	702,471	-	-	702,471
Total transfers in (out) and capital contributions:	<u>702,471</u>	<u>471,103</u>	<u>(306,290)</u>	<u>867,284</u>
Change in net position	<u>(636,283)</u>	<u>3,324,667</u>	<u>439,068</u>	<u>3,127,452</u>
Net position, beginning of year – July 1	1,431,949	11,615,638	480,119	13,527,706
Restatement	(401,788)	(1,558,477)	(1,457,978)	(3,418,243)
Net position, beginning of year – July 1, as restated	<u>1,030,161</u>	<u>10,057,161</u>	<u>(977,859)</u>	<u>10,109,463</u>
Net position, end of year – June 30	<u>\$ 393,878</u>	<u>\$ 13,381,828</u>	<u>\$ (538,791)</u>	<u>\$ 13,236,915</u>

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

Schedule F-7

YEAR ENDED JUNE 30, 2018

	Public Transportation Fund	Stormwater Utility Fund	Sanitation Fund	Total
Cash flows from Operating Activities:				
Cash received from customers	\$ (15,740)	\$ 5,965,010	\$ 7,522,979	\$ 13,472,249
Cash paid to vendors	(1,023,341)	(1,339,120)	(3,854,952)	(6,217,413)
Cash paid to employees	(1,420,154)	(1,201,299)	(2,824,196)	(5,445,649)
Net cash provided (used) by operating activities	<u>(2,459,235)</u>	<u>3,424,591</u>	<u>843,831</u>	<u>1,809,187</u>
Cash from Noncapital Financing Activities:				
Repayment of principal of long-term debt	-	-	(159,419)	(159,419)
Interest and other financing costs	-	-	(17,917)	(17,917)
Borrowing/Repayments from/to other funds	120,223	-	-	120,223
Federal and State grants	1,103,161	-	-	1,103,161
Transfers from other funds	702,471	-	-	702,471
Transfers to other funds	-	(97,500)	(306,290)	(403,790)
Net cash provided (used) by noncapital financing activities	<u>1,925,855</u>	<u>(97,500)</u>	<u>(483,626)</u>	<u>1,344,729</u>
Cash from Capital and Related Financing Activities:				
Repayment of principal of long-term debt	-	(378,930)	-	(378,930)
Proceeds from issuance of debt	-	-	-	-
Interest and other financing costs	-	(40,875)	-	(40,875)
Capital contributions	-	-	-	-
Acquisition and construction of capital assets	-	(1,421,423)	(168,337)	(1,589,760)
Net cash used by capital and related financing activities	<u>-</u>	<u>(1,841,228)</u>	<u>(168,337)</u>	<u>(2,009,565)</u>
Cash from Investing Activities:				
Interest received on investments	-	-	7	7
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	(533,380)	1,485,863	191,875	1,144,358
Cash and Cash Equivalents:				
Beginning of year – July 1	<u>579,276</u>	<u>4,798,168</u>	<u>2,092,608</u>	<u>7,470,052</u>
End of year – June 30	<u>\$ 45,896</u>	<u>\$ 6,284,031</u>	<u>\$ 2,284,483</u>	<u>\$ 8,614,410</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (2,441,915)	\$ 2,886,592	\$ 763,268	\$ 1,207,945
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	196,931	10,895	16,223	224,049
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(98,946)	(30,534)	(129,480)
(Increase) decrease in due from other governments	(266,957)	-	-	(266,957)
(Increase) decrease in deferred outflow of resources - pensions	78,114	94,843	223,901	396,858
Increase in deferred outflows of resources - OPEB	(16,092)	(19,539)	(46,126)	(81,757)
Decrease in net pension liability	(72,031)	(87,456)	(206,464)	(365,951)
Decrease in deferred inflows of resources - pensions	(6,762)	(8,212)	(19,385)	(34,359)
Increase (decrease) in accounts payable	27,353	602,364	24,131	653,848
Increase (decrease) in compensated absences payable	5,844	-	14,828	20,672
Increase in OPEB liability	36,280	44,050	103,989	184,319
Net cash provided (used) by operating activities	<u>\$ (2,459,235)</u>	<u>\$ 3,424,591</u>	<u>\$ 843,831</u>	<u>\$ 1,809,187</u>
Noncash Investing, Capital, and Financing Activities:				
Capital contribution	<u>\$ -</u>	<u>\$ 568,603</u>	<u>\$ -</u>	<u>\$ 568,603</u>
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 568,603</u>	<u>\$ -</u>	<u>\$ 568,603</u>

PUBLIC TRANSPORTATION – NONMAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 380,014	\$ 251,217	\$ (128,797)	\$ 240,128
Public transportation planning and operating grants	3,445,590	1,103,161	(2,342,429)	1,462,706
Other operating revenues	-	-	-	2,625
Total operating revenues	<u>3,825,604</u>	<u>1,354,378</u>	<u>(2,471,226)</u>	<u>1,705,459</u>
Expenditures:				
Administrative and general	194,308	104,607	89,701	96,924
Operations and maintenance	872,357	555,785	316,572	548,928
Salaries and benefits	1,411,547	1,445,507	(33,960)	1,325,816
Capital outlay	2,394,775	371,716	2,023,059	299,721
Total operating expenditures	<u>4,872,987</u>	<u>2,477,615</u>	<u>2,395,372</u>	<u>2,271,389</u>
Revenues over (under) expenditures	<u>(1,047,383)</u>	<u>(1,123,237)</u>	<u>(75,854)</u>	<u>(565,930)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	344,912	-	(344,912)	-
Transfers to other funds	-	-	-	(121,752)
Transfers from General Fund	702,471	702,471	-	565,269
Total other financing sources (uses)	<u>1,047,383</u>	<u>702,471</u>	<u>(344,912)</u>	<u>443,517</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(420,766)</u>	<u>\$ (420,766)</u>	<u>(122,413)</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(196,931)		(202,683)
Loss on disposal of capital assets		-		(400,438)
Capital outlay		-		-
Decrease in net pension asset		-		-
Increase in deferred outflows of resources - pensions		(78,114)		(155,022)
Increase in deferred outflows of resources - OPEB		16,092		-
Decrease (increase) in net pension liability		72,031		181,842
Change in net OPEB liability		(36,280)		-
(Increase) decrease in deferred inflows of resources - pensions		4,763		(22,922)
(Increase) decrease in deferred inflows of resources - OPEB		-		-
OPEB expense		-		87,869
Change in accrued compensated absences		2,922		5,588
Change in net position		<u>\$ (636,283)</u>		<u>\$ (628,179)</u>

CITY OF GREENVILLE, NORTH CAROLINA

Schedule F-9

STORMWATER UTILITY FUND – NONMAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 5,928,998	\$ 6,063,956	\$ 134,958	\$ 5,536,989
Total operating revenues	<u>5,928,998</u>	<u>6,063,956</u>	<u>134,958</u>	<u>5,536,989</u>
Expenditures:				
Operations and maintenance	613,406	453,381	160,025	449,323
Salaries and benefits	1,736,841	1,224,985	511,856	1,250,487
Capital outlay	2,807,149	542,562	2,264,587	109,300
Retirement of long-term debt	332,913	378,930	(46,017)	344,306
Interest paid	148,361	33,028	115,333	44,128
Indirect cost reimbursement	406,056	406,056	-	406,056
Total operating expenses	<u>6,044,726</u>	<u>3,038,942</u>	<u>3,005,784</u>	<u>2,603,600</u>
Revenues over expenditures	<u>(115,728)</u>	<u>3,025,014</u>	<u>3,140,742</u>	<u>2,933,389</u>
Other Financing Sources (Uses):				
Capital contributions	-	568,603	568,603	143,115
Bond issuance costs	-	-	-	-
Transfer to other funds	(2,423,500)	(2,423,500)	-	(574,331)
Transfers from other funds	-	-	-	7,000
Appropriated fund balance	<u>2,539,228</u>	<u>-</u>	<u>(2,539,228)</u>	<u>-</u>
Total other financing sources (uses)	<u>115,728</u>	<u>(1,854,897)</u>	<u>(1,970,625)</u>	<u>(424,216)</u>
Revenues and other financing sources (uses) over expenditures and other financing uses	<u>\$ -</u>	<u>1,170,117</u>	<u>\$ 1,170,117</u>	<u>2,509,173</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Full accrual change in net position--capital projects		1,810,200		549,938
Depreciation		(10,895)		(160,328)
Loss on disposal of capital assets		-		(68,759)
Increase in deferred outflows of resources - pensions		(94,842)		(217,449)
Increase in deferred outflows of resources - OPEB		16,092		-
Decrease (increase) in net pension liability		87,456		256,082
Decrease (increase) in net OPEB liability		(40,603)		-
(Increase) decrease in deferred inflows of resources - pensions		8,212		(15,878)
Capital outlay		-		240
OPEB expense		-		24,876
Payment of debt principal		<u>378,930</u>		<u>344,306</u>
Change in net position		<u>\$ 3,324,667</u>		<u>\$ 3,222,201</u>

ENTERPRISE CAPITAL PROJECTS FUND – NONMAJOR ENTERPRISE FUND

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

FROM INCEPTION AND YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Miscellaneous:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	156	-	-	156
Total revenues	-	156	-	-	156
Expenditures:					
Current:					
Stormwater:					
Stormwater Drainage Maintenance	199,828	124,611	-	-	124,611
Watershed	5,969,005	3,609,003	-	27,739	3,636,742
Town Creek Culvert	33,907,383	2,437,924	-	1,909,725	4,347,649
Total expenditures	40,076,216	6,171,538	-	1,937,464	8,109,002
Revenues under expenditures	(40,076,216)	(6,171,382)	-	(1,937,464)	(8,108,846)
Other Financing Sources (Uses):					
Capital Contributions	195,490	179,747	-	-	179,747
State revolving loan	27,540,283	1,374,396	-	-	1,374,396
Transfer from other funds	10,421,615	5,728,515	-	2,326,000	8,054,515
Transfer to other funds	(1,081,172)	(1,081,172)	-	-	(1,081,172)
Total other financing sources	37,076,216	6,201,486	-	2,326,000	8,527,486
Revenues and other financing sources over (under) expenditures	\$ (3,000,000)	\$ 30,104	\$ -	388,536	\$ 418,640
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:					
Capital outlay				1,421,664	
Change in net position				\$ 1,810,200	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule F-11

SANITATION FUND – NONMAJOR ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	2018		Variance Positive/ Negative	2017
	Budget	Actual		Actual
Operating Revenues:				
Charges for services	\$ 7,549,880	\$ 7,467,153	\$ (82,727)	\$ 7,159,436
Grant revenue	-	-	-	-
Investment earnings	-	7	7	126
Other revenue	69,406	86,360	16,954	96,294
Total operating revenues	<u>7,619,286</u>	<u>7,553,520</u>	<u>(65,766)</u>	<u>7,255,856</u>
Operating Expenditures:				
Operations and maintenance	3,137,546	2,891,677	245,869	2,778,424
Salaries and benefits	3,066,725	2,894,939	171,786	2,990,264
Capital outlay	318,093	168,337	149,756	30,210
Principal retirement	-	157,142	(157,142)	157,142
Interest paid	-	17,917	(17,917)	24,437
Indirect cost reimbursement	914,662	916,663	(2,001)	888,022
Total operating expenditures	<u>7,437,026</u>	<u>7,046,675</u>	<u>390,351</u>	<u>6,868,499</u>
Revenues over expenditures	<u>182,260</u>	<u>506,845</u>	<u>324,585</u>	<u>387,357</u>
Other Financing Sources (Uses):				
Appropriated fund balance	243,789	-	(243,789)	-
Long-term debt issued	-	-	-	-
Transfers to other funds	(426,049)	(306,290)	119,759	(273,436)
Total other financing sources (uses)	<u>(182,260)</u>	<u>(306,290)</u>	<u>(124,030)</u>	<u>(273,436)</u>
Revenues and other financing sources (uses) over expenditures and other financing uses	<u>\$ -</u>	<u>200,555</u>	<u>\$ 200,555</u>	<u>113,921</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(16,223)		
Capital outlay		168,337		-
Decrease/(increase) in deferred outflows of resources - pensions		(223,901)		(454,784)
(Decrease)/increase in deferred outflows of resources - OPEB		46,126		-
Decrease in net pension liability		206,464		534,556
Increase in net OPEB liability		(103,989)		-
Decrease/(increase) in deferred inflows of resources - pensions		19,385		(49,721)
Payment of debt principal		157,142		157,142
Change in accrued compensated absences		(14,828)		(11,712)
OPEB expense		-		(3,765)
Change in net position		<u>\$ 439,068</u>		<u>\$ 285,637</u>



Internal Service Fund Statements

FY 2018 Comprehensive
Annual Financial Report

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

Schedule G-1

JUNE 30, 2018

	<u>Vehicle Replacement Fund</u>	<u>Health Insurance Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Facilities Improvement Fund</u>	<u>Total</u>
Assets:					
Current Assets:					
Cash, cash equivalents, and investments	\$ 4,392,124	\$ -	\$ -	\$ 1,980,591	\$ 6,372,715
Accounts receivable	-	87,552	-	-	87,552
Due from other funds	-	58,796	-	-	58,796
Prepaid items	-	-	214,132	-	214,132
Due from other governments	-	-	1,000	-	1,000
Restricted cash, cash equivalents, and investments	-	6,906,558	-	-	6,906,558
Total current assets	<u>4,392,124</u>	<u>7,052,906</u>	<u>215,132</u>	<u>1,980,591</u>	<u>13,640,753</u>
Noncurrent Assets:					
Construction in process	34,955	-	-	-	34,955
Other capital assets, net	11,649,365	77,250	-	853,056	12,579,671
Total assets	<u>16,076,444</u>	<u>7,130,156</u>	<u>215,132</u>	<u>2,833,647</u>	<u>26,255,379</u>
Deferred outflows of resources - pensions	-	-	195,197	-	195,197
Deferred outflows of resources - OPEB	-	-	25,327	-	25,327
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>220,524</u>	<u>-</u>	<u>220,524</u>
Liabilities:					
Current Liabilities:					
Accounts payable	342,467	2,012,457	166,788	2,132	2,523,844
Due to other funds	-	-	1,068,408	-	1,068,408
Total current liabilities	<u>342,467</u>	<u>2,012,457</u>	<u>1,235,196</u>	<u>2,132</u>	<u>3,592,252</u>
Noncurrent Liabilities:					
Net OPEB Liability	-	-	1,443,839	-	1,443,839
Net Pension Liability	-	-	264,969	-	264,969
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,708,808</u>	<u>-</u>	<u>1,708,808</u>
Total liabilities	<u>342,467</u>	<u>2,012,457</u>	<u>2,944,004</u>	<u>2,132</u>	<u>5,301,060</u>
Deferred inflow of resources - pensions	-	-	25,260	-	25,260
Net Position:					
Net investment in capital assets	11,649,365	77,250	-	853,056	12,579,671
Unrestricted	4,084,612	5,040,449	(2,533,608)	1,978,459	8,569,912
Total net position	<u>\$ 15,733,977</u>	<u>\$ 5,117,699</u>	<u>\$ (2,533,608)</u>	<u>\$ 2,831,515</u>	<u>\$ 21,149,583</u>

INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2018

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Operating Revenues:					
Charges for services	\$ 3,336,384	\$ 12,913,603	\$ 4,393,840	\$ -	\$ 20,643,827
Other operating revenues	161,034	2,908	-	-	163,942
Total operating revenues	<u>3,497,418</u>	<u>12,916,511</u>	<u>4,393,840</u>	<u>-</u>	<u>20,807,769</u>
Operating Expenses:					
Administration	-	884,539	-	-	884,539
Operations and maintenance	-	-	2,925,472	1,190,520	4,115,992
Salaries and benefits	-	-	1,617,884	-	1,617,884
Depreciation	2,373,975	5,150	-	74,251	2,453,376
Claims and payments to third party administrators	-	10,839,809	-	-	10,839,809
Total operating expenses	<u>2,373,975</u>	<u>11,729,498</u>	<u>4,543,356</u>	<u>1,264,771</u>	<u>19,911,600</u>
Operating Income (Loss) before Contributions and Transfers	<u>1,123,443</u>	<u>1,187,013</u>	<u>(149,516)</u>	<u>(1,264,771)</u>	<u>896,169</u>
Transfers In and Capital Contributions:					
Transfers from other funds	293,200	-	-	1,777,000	2,070,200
Total transfers in and capital contributions	<u>293,200</u>	<u>-</u>	<u>-</u>	<u>1,777,000</u>	<u>2,070,200</u>
Change in net position	<u>1,416,643</u>	<u>1,187,013</u>	<u>(149,516)</u>	<u>512,229</u>	<u>2,966,369</u>
Net Position:					
Net position, beginning of year – July 1	13,595,236	3,930,686	(997,352)	2,319,286	18,847,856
Restatement	722,098	-	(1,386,740)	-	(664,642)
Net position, beginning of year – restated – July 1	<u>14,317,334</u>	<u>3,930,686</u>	<u>(2,384,092)</u>	<u>2,319,286</u>	<u>18,183,214</u>
Net position, end of year – June 30	<u>\$ 15,733,977</u>	<u>\$ 5,117,699</u>	<u>\$ (2,533,608)</u>	<u>\$ 2,831,515</u>	<u>\$ 21,149,583</u>

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

Schedule G-3

YEAR ENDED JUNE 30, 2018

	<u>Vehicle Replacement Fund</u>	<u>Health Insurance Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Facilities Improvement Fund</u>	<u>Total</u>
Cash flows From Operating Activities:					
Cash received from customers	\$ 3,839,885	\$ 12,934,402	\$ 4,392,840	\$ -	\$ 21,167,127
Cash paid to vendors	-	(11,515,424)	(2,945,703)	(1,188,388)	(15,649,515)
Cash paid to employees	-	-	(1,587,181)	-	(1,587,181)
Net cash provided (used) by operating activities	<u>3,839,885</u>	<u>1,418,978</u>	<u>(140,044)</u>	<u>(1,188,388)</u>	<u>3,930,431</u>
Cash flows From Noncapital Financing Activities:					
Transfers from other funds	293,200	-	-	1,777,000	2,070,200
Repayments to (from) other funds	-	(58,796)	140,044	-	81,248
Net cash provided (used) by noncapital financing activities	<u>293,200</u>	<u>(58,796)</u>	<u>140,044</u>	<u>1,777,000</u>	<u>2,151,448</u>
Cash flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(2,145,374)	-	-	-	(2,145,374)
Net cash used by capital and related financing activities	<u>(2,145,374)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,145,374)</u>
Net increase in cash and cash equivalents	1,987,711	1,360,182	-	588,612	3,936,505
Cash and Cash Equivalents					
Beginning of year – July 1	<u>2,404,413</u>	<u>5,546,376</u>	<u>-</u>	<u>1,391,979</u>	<u>9,342,768</u>
End of year – June 30	<u>\$ 4,392,124</u>	<u>\$ 6,906,558</u>	<u>\$ -</u>	<u>\$ 1,980,591</u>	<u>\$ 13,279,273</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,123,443	\$ 1,187,013	\$ (149,516)	\$ (1,264,771)	\$ 896,169
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,373,975	5,150	-	74,251	2,453,376
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	195,356	17,891	(1,000)	-	212,247
Decrease in deferred outflow of resources - pensions	-	-	122,940	-	122,940
Increase in deferred outflow of resources - OPEB	-	-	(25,327)	-	(25,327)
Increase in prepaids	-	-	(79,700)	-	(79,700)
Decrease in net pension liability	-	-	(113,365)	-	(113,365)
Increase in net OPEB liability	-	-	57,099	-	57,099
Decrease in deferred inflows of resources - pensions	-	-	(10,644)	-	(10,644)
Increase (decrease) in accounts payable	147,111	208,924	59,469	2,132	417,636
Net cash provided (used) by operating activities	<u>\$ 3,839,885</u>	<u>\$ 1,418,978</u>	<u>\$ (140,044)</u>	<u>\$ (1,188,388)</u>	<u>\$ 3,930,431</u>

VEHICLE REPLACEMENT – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 3,328,636	\$ 3,336,384	\$ 7,748
Other operating revenues	278,460	161,034	(117,426)
Total operating revenues	<u>3,607,096</u>	<u>3,497,418</u>	<u>(109,678)</u>
Operating Expenditures:			
Capital outlay	<u>6,211,710</u>	<u>2,145,374</u>	<u>4,066,336</u>
Total operating expenditures			
Revenues over (under) expenditures	<u>(2,604,614)</u>	<u>1,352,044</u>	<u>3,956,658</u>
Other Financing Sources (Uses):			
Fund balance appropriated	2,311,414	-	(2,311,414)
Transfers from other funds	<u>293,200</u>	<u>293,200</u>	<u>-</u>
Total other financing sources (uses)	<u>2,604,614</u>	<u>293,200</u>	<u>(2,311,414)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	<u>1,645,244</u>	<u>\$ 1,645,244</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		(2,373,974)	
Capital outlay		<u>2,145,373</u>	
Change in net position		<u>\$ 1,416,643</u>	

CITY OF GREENVILLE, NORTH CAROLINA

Schedule G-5

HEALTH INSURANCE – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 12,781,029	\$ 12,913,603	\$ 132,574
Other operating revenues	8,909	2,908	(6,001)
Total operating revenues	<u>12,789,938</u>	<u>12,916,511</u>	<u>126,573</u>
Operating Expenditures:			
Administration	740,245	884,398	(144,153)
Capital outlay	-	141	(141)
Payment to third party administrator	12,395,445	10,839,809	1,555,636
Total operating expenditures	<u>13,135,690</u>	<u>11,724,348</u>	<u>1,411,342</u>
Revenues over (under) expenditures	<u>(345,752)</u>	<u>1,192,163</u>	<u>1,537,915</u>
Other Financing Sources (Uses):			
Appropriated fund balance	345,752	-	(345,752)
Total other financing sources (uses)	<u>345,752</u>	<u>-</u>	<u>(345,752)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	<u>1,192,163</u>	<u>\$ 1,192,163</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		<u>(5,150)</u>	
Change in net position		<u>\$ 1,187,013</u>	

CITY OF GREENVILLE, NORTH CAROLINA

FLEET MAINTENANCE – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ 4,337,071	\$ 4,393,840	\$ 56,769
Total operating revenues	<u>4,337,071</u>	<u>4,393,840</u>	<u>56,769</u>
Operating Expenditures:			
Salaries and benefits	1,448,995	1,587,181	(138,186)
Operating and maintenance	2,914,853	2,909,066	5,787
Capital outlay	39,914	16,406	23,508
Total operating expenditures	<u>4,403,762</u>	<u>4,512,653</u>	<u>(108,891)</u>
Revenues over (under) expenditures	<u>(66,691)</u>	<u>(118,813)</u>	<u>(52,122)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	66,691	-	(66,691)
Transfer to other funds	-	-	-
Total other financing sources (uses)	<u>66,691</u>	<u>-</u>	<u>(66,691)</u>
Revenues and other financing sources (uses) over expenditures and other financing uses	<u>\$ -</u>	<u>(118,813)</u>	<u>\$ (118,813)</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Decrease in deferred outflows of resources - pensions		(122,940)	
Increase in deferred outflows of resources - OPEB		25,327	
Decrease in net pension liability		113,365	
Increase in net OPEB liability		(57,099)	
Decrease in deferred inflows of resources - pensions		10,644	
Decrease in deferred inflows of resources - OPEB		<u>-</u>	
Change in net position		<u>\$ (149,516)</u>	

CITY OF GREENVILLE, NORTH CAROLINA

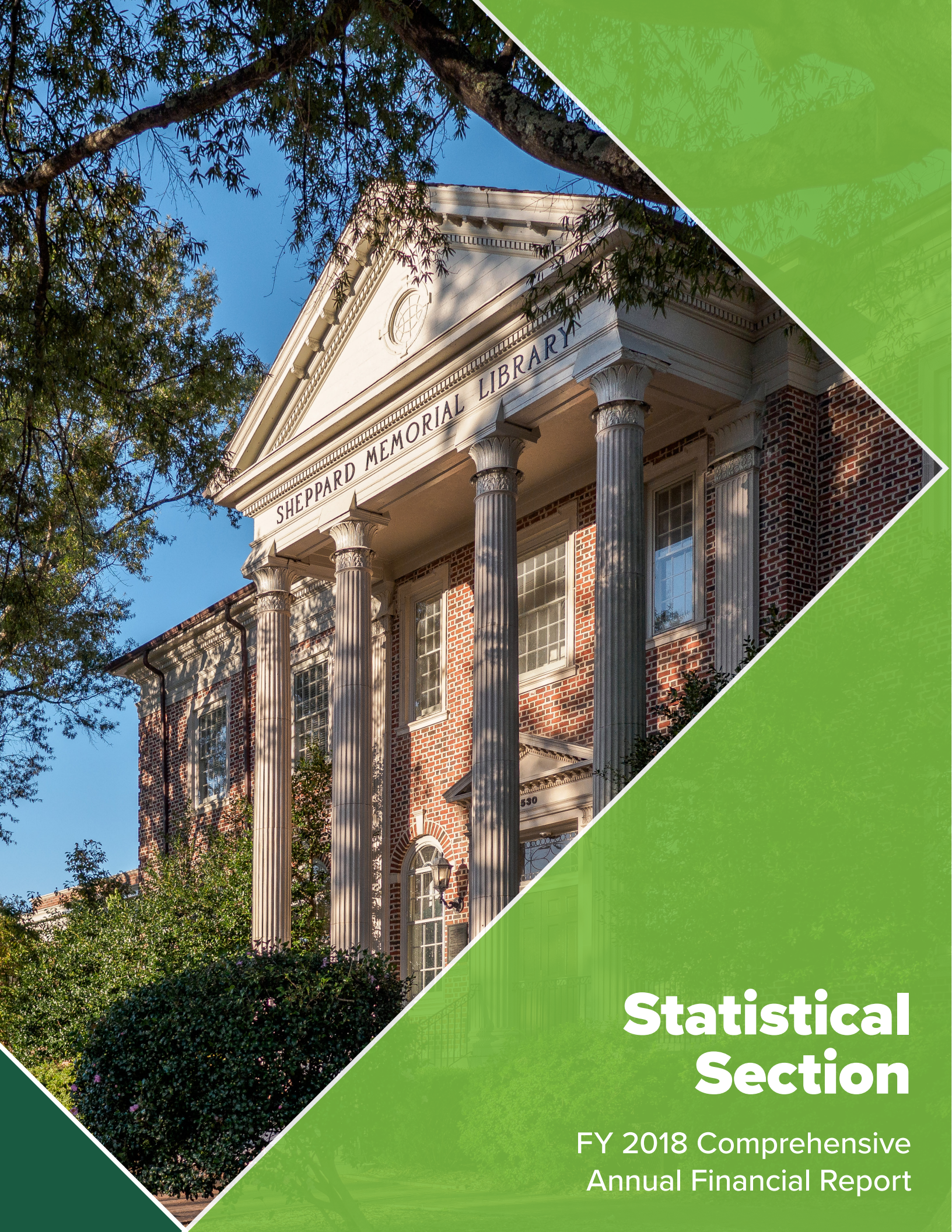
Schedule G-7

FACILITIES IMPROVEMENT – INTERNAL SERVICE FUND

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

YEAR ENDED JUNE 30, 2018

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenditures:			
Capital outlay	3,150,506	1,190,520	1,959,986
Total operating expenditures	<u>3,150,506</u>	<u>1,190,520</u>	<u>1,959,986</u>
Operating income (loss)	<u>(3,150,506)</u>	<u>(1,190,520)</u>	<u>1,959,986</u>
Revenues over (under) expenditures	<u>(3,150,506)</u>	<u>(1,190,520)</u>	<u>1,959,986</u>
Other Financing Sources (Uses):			
Appropriated fund balance	1,373,506	-	(1,373,506)
Transfers to other funds	-	-	-
Transfers from other funds	1,777,000	1,777,000	-
Total other financing sources (uses)	<u>3,150,506</u>	<u>1,777,000</u>	<u>(1,373,506)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	586,480	<u>\$ 586,480</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		<u>(74,251)</u>	
Change in net position		<u>\$ 512,229</u>	



SHEPPARD MEMORIAL LIBRARY

Statistical Section

FY 2018 Comprehensive
Annual Financial Report

Statistical Section

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

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

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

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

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

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 98,830	\$ 119,789	\$ 132,450	\$ 136,640	\$ 140,382	\$ 144,769	\$ 154,684	\$ 157,082	\$ 160,375	\$ 159,151
Restricted	-	2,927	-	-	-	-	-	-	-	-
Stabilization of State Statute	-	-	7,331	8,998	7,590	8,228	13,594	8,322	6,516	7,714
Restricted for Streets	2,053	-	-	-	2,629	2,296	2,236	1,717	1,179	1,001
General Government	-	-	-	-	-	84	76	105	109	684
Economic Development	-	-	-	-	-	-	56	4,177	2,611	390
Transportation	-	-	2,540	1,838	-	-	-	-	-	-
Public Safety	-	-	-	-	560	706	821	858	872	374
Cultural and Recreational	-	-	-	-	101	102	102	117	66	-
Debt Service	-	-	-	-	-	-	-	-	-	771
Insurance	-	-	-	-	-	-	-	-	-	6,907
Other	-	-	819	6,175	-	-	-	-	669	-
Unrestricted	44,182	30,243	24,196	18,142	36,640	36,849	23,638	29,243	23,715	(3,244)
Total Governmental activities net position	\$ 145,065	\$ 152,959	\$ 167,336	\$ 171,793	\$ 187,902	\$ 193,034	\$ 195,207	\$ 201,621	\$ 196,112	\$ 173,748
Business-type activities										
Net investment in capital assets	\$ 235,068	\$ 241,246	\$ 239,156	\$ 242,482	\$ 251,120	\$ 258,006	\$ 277,248	\$ 272,073	\$ 274,323	\$ 287,024
Unrestricted	63,578	68,260	79,687	81,410	81,243	80,345	70,155	105,097	118,131	101,309
Total business-type activities net assets	\$ 298,646	\$ 309,506	\$ 318,843	\$ 323,892	\$ 332,363	\$ 338,351	\$ 347,403	\$ 377,170	\$ 392,454	\$ 388,333
Primary government										
Net investment in capital assets	\$ 333,898	\$ 361,035	\$ 371,606	\$ 379,122	\$ 391,502	\$ 402,775	\$ 431,932	\$ 429,155	\$ 434,698	\$ 446,175
Restricted	-	2,927	-	-	-	-	-	-	-	-
Stabilization of State Statute	-	-	7,331	8,998	7,590	8,228	13,594	8,322	6,516	7,714
Restricted for Streets	2,053	-	-	-	2,629	2,296	2,236	1,717	1,179	1,001
General Government	-	-	-	-	-	84	76	105	109	684
Economic Development	-	-	-	-	-	-	56	4,177	2,611	390
Transportation	-	-	2,540	1,838	-	-	-	-	-	-
Public Safety	-	-	-	-	560	706	821	858	872	374
Cultural and Recreational	-	-	-	-	101	102	102	117	66	-
Debt	-	-	-	-	-	-	-	-	-	771
Insurance	-	-	-	-	-	-	-	-	-	6,907
Other	-	-	819	6,175	-	-	-	-	669	-
Unrestricted	107,760	98,503	103,883	99,552	117,883	117,194	93,793	134,340	141,846	98,065
Total primary government net position	\$ 443,711	\$ 462,465	\$ 486,179	\$ 495,685	\$ 520,265	\$ 531,385	\$ 542,610	\$ 578,791	\$ 588,566	\$ 562,081

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses										
Governmental activities:										
General government	\$ 12,826	\$ 10,721	\$ 10,172	\$ 10,480	\$ 21,603	\$ 19,960	\$ 25,011	\$ 28,647	\$ 34,019	\$ 28,170
Public safety	32,621	37,866	36,159	39,385	29,712	28,939	26,262	26,907	27,583	28,561
Transportation	8,253	11,994	9,344	10,326	7,593	7,462	5,939	7,172	6,514	8,013
Environmental protection	1,068	-	-	-	-	-	-	-	3,534	1,454
Economic and physical development	6,006	5,199	4,625	6,065	14,501	13,497	10,781	11,081	12,655	11,427
Culture and recreation	10,360	11,192	11,398	11,503	3,688	3,204	5,765	4,589	4,802	9,296
Interest on long-term debt	1,440	1,842	1,602	1,657	826	894	1,034	949	1,307	1,158
Total governmental activities	<u>72,574</u>	<u>78,814</u>	<u>73,300</u>	<u>79,416</u>	<u>77,923</u>	<u>73,956</u>	<u>74,792</u>	<u>79,345</u>	<u>90,414</u>	<u>88,079</u>
Business-type activities:										
Electric	183,301	188,681	195,510	191,269	192,058	195,184	189,010	157,839	167,127	164,003
Water	14,437	14,778	15,044	16,403	15,857	16,237	16,201	16,281	17,138	17,586
Sewer	14,524	14,776	15,673	16,208	16,837	17,333	17,667	18,261	19,761	20,649
Gas	38,330	31,749	31,972	24,947	26,189	32,519	31,718	25,519	27,803	34,791
Public Transportation	1,791	1,703	1,837	2,178	2,499	2,459	3,406	2,130	2,377	2,693
Bradford Creek	911	906	914	930	-	-	-	-	-	-
Stormwater Utility	2,720	2,638	2,899	3,119	2,904	2,945	5,837	2,526	2,465	3,210
Sanitation	5,959	5,495	5,961	6,643	6,792	7,358	6,941	6,115	6,697	6,808
Total business-type activities	<u>261,973</u>	<u>260,726</u>	<u>269,810</u>	<u>261,697</u>	<u>263,136</u>	<u>274,035</u>	<u>270,780</u>	<u>228,671</u>	<u>243,368</u>	<u>249,740</u>
Total expenses	<u>\$ 334,547</u>	<u>\$ 339,540</u>	<u>\$ 343,110</u>	<u>\$ 341,113</u>	<u>\$ 341,059</u>	<u>\$ 347,991</u>	<u>\$ 345,572</u>	<u>\$ 308,016</u>	<u>\$ 333,782</u>	<u>\$ 337,819</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,323	\$ 447	\$ 886	\$ 3,140	\$ 4,052	\$ 4,829	\$ 3,360	\$ 3,959	\$ 7,201	\$ 4,223
Public safety	4,221	5,060	4,564	5,545	4,360	4,149	5,542	4,686	4,231	6,349
Transportation	264	264	309	247	190	180	293	195	203	36
Environmental protection	81	-	-	-	-	-	-	-	-	-
Economic and physical development	1,280	170	738	-	19	19	19	19	19	19
Culture and recreation	19	1,324	1,247	1,354	1,120	1,088	1,093	1,939	1,953	1,248
Operating grants and contributions	3,952	7,491	9,502	9,820	4,523	3,540	3,211	2,505	3,675	3,351
Capital grants and contributions	5,657	13,735	10,258	4,091	3,975	3,214	2,788	6,916	5,912	10,969
Total governmental activities program revenues	<u>17,797</u>	<u>28,491</u>	<u>27,504</u>	<u>24,197</u>	<u>18,239</u>	<u>17,019</u>	<u>16,306</u>	<u>20,219</u>	<u>23,194</u>	<u>26,195</u>

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

Table 2

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Electric	\$ 187,204	\$ 194,531	\$ 203,686	\$ 196,531	\$ 197,680	\$ 202,308	\$ 199,711	\$ 181,932	\$ 178,171	\$ 178,284
Water	13,955	13,829	15,289	16,462	16,321	16,526	17,465	18,587	20,009	20,647
Sewer	14,310	14,905	17,041	17,971	18,257	18,218	19,566	21,577	23,268	23,778
Gas	44,476	37,962	37,738	30,440	31,820	35,481	36,688	27,684	28,787	36,535
Public Transportation	218	235	274	314	359	330	402	284	243	251
Aquatics and Fitness	-	-	-	-	-	-	-	-	-	-
Bradford Creek	800	753	750	860	-	-	-	-	-	-
Stormwater Utility	2,958	3,207	3,066	2,962	3,117	3,670	4,354	4,905	5,537	6,064
Sanitation	5,427	5,914	5,431	5,408	6,630	6,814	7,204	7,460	7,256	7,554
Operating grants and contributions	1,538	807	830	1,009	-	901	804	-	1,463	1,103
Capital grants and contributions	5,301	3,501	1,062	5	2,103	1,162	3,105	2,121	278	1,783
Total business-type activities program revenues	<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>	<u>265,012</u>	<u>275,999</u>
Total program revenues	<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>	<u>\$ 288,206</u>	<u>\$ 302,194</u>
Net (Expense) Revenue										
Governmental activities	\$ (54,777)	\$ (50,323)	\$ (45,796)	\$ (55,219)	\$ (59,684)	\$ (56,937)	\$ (58,486)	\$ (59,126)	\$ (67,220)	\$ (61,883)
Business-type activities	14,214	14,918	15,357	10,265	13,151	11,375	18,519	35,879	21,644	26,259
Total primary governmental net expense	<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>	<u>\$ (45,576)</u>	<u>\$ (35,624)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 29,461	\$ 30,517	\$ 30,891	\$ 31,487	\$ 30,446	\$ 31,915	\$ 32,502	\$ 33,000	\$ 33,187	\$ 34,200
Other Taxes, grants and contributions	20,915	20,852	21,722	22,161	22,397	22,522	25,292	26,655	27,873	28,600
Investment earnings	2,455	1,486	919	969	69	2,038	2,064	700	954	698
Miscellaneous	-	469	-	(496)	-	-	-	-	-	-
Transfers	10,864	4,872	6,662	5,554	4,908	5,597	5,804	6,704	6,885	6,302
Total General revenues	<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>	<u>68,899</u>	<u>69,800</u>
Business-type activities:										
Investment earnings	1,472	813	641	337	227	209	284	330	528	1,159
Transfers	(10,864)	(4,872)	(6,662)	(5,554)	(4,908)	(5,597)	(5,804)	(6,704)	(6,888)	(6,302)
Total business-type activities	<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>	<u>(6,360)</u>	<u>(5,143)</u>
Total primary government	<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>	<u>\$ 62,539</u>	<u>\$ 64,657</u>
Change in Net Position										
Governmental activities	\$ 8,918	\$ 7,873	\$ 14,398	\$ 4,456	\$ (1,864)	\$ 5,135	\$ 7,176	\$ 7,933	\$ 1,679	\$ 7,917
Business-type activities	4,822	10,859	9,336	5,048	8,470	5,987	12,999	29,505	15,284	21,116
Total primary government	<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>	<u>\$ 16,963</u>	<u>\$ 29,033</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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 9,671	\$ 10,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,396	17,203	-	-	-	-	-	-	-	-
Nonspendable	-	-	161	151	75	215	116	54	69	102
Restricted	-	-	10,690	11,582	10,267	10,848	16,169	10,171	7,688	7,318
Committed	-	-	2,831	3,059	2,277	2,277	2,277	2,277	2,328	2,051
Assigned	-	-	2,091	2,490	7,047	1,964	1,592	1,796	1,178	1,380
Unassigned	-	-	13,381	14,683	11,401	16,108	12,426	18,144	20,158	12,048
Total General Fund	\$ 28,067	\$ 27,607	\$ 29,154	\$ 31,965	\$ 31,067	\$ 31,412	\$ 32,580	\$ 32,442	\$ 31,421	\$ 22,899
All other governmental funds										
Reserved	\$ 116	\$ 709	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Subsequent Year's	-	108	-	-	-	-	-	-	-	-
Special revenue funds	5,990	3,987	-	-	-	-	-	-	-	-
Debt Service Funds	916	892	-	-	-	-	-	-	-	-
Capital Project Funds	14,166	9,993	-	-	-	-	-	-	-	-
Nonspendable	-	-	53	44	49	53	919	381	791	800
Restricted	-	-	8,384	5,429	2,160	5,767	8,257	5,235	4,334	8,033
Committed	-	-	7,477	5,996	7,747	6,846	6,045	5,172	11,019	12,105
Assigned	-	-	-	-	544	522	570	619	520	825
Unassigned	-	-	(1,970)	(1,327)	(1,181)	(489)	(5,097)	(531)	(334)	(685)
Total all other governmental funds	\$ 21,188	\$ 15,689	\$ 13,944	\$ 10,142	\$ 9,319	\$ 12,699	\$ 10,694	\$ 10,876	\$ 16,330	\$ 21,078
Total governmental funds	\$ 49,255	\$ 43,296	\$ 43,098	\$ 42,107	\$ 40,386	\$ 44,111	\$ 43,274	\$ 43,318	\$ 47,751	\$ 43,977

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 are expressed in thousands.

CITY OF GREENVILLE, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Table 4

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad Valorem Taxes	\$ 29,715	\$ 30,581	\$ 30,749	\$ 31,567	\$ 30,276	\$ 32,256	\$ 32,956	\$ 32,776	\$ 33,385	\$ 34,374
Other Taxes	15,355	14,715	15,130	16,614	16,519	16,672	18,543	19,271	20,645	21,301
Unrestricted Intergovernmental	5,560	5,573	5,965	5,858	5,877	5,847	6,750	7,386	7,231	7,299
Restricted Intergovernmental	10,031	7,522	11,048	12,166	7,978	6,424	5,720	8,021	9,252	11,435
Licenses, Permits and fees	2,398	2,358	2,365	2,632	2,457	2,289	3,818	2,353	2,929	3,593
Sales and Services	5,604	4,947	5,290	5,117	5,484	5,180	5,766	5,083	4,844	5,576
Investment Earning	2,450	1,486	917	970	69	463	370	700	438	424
Other Revenue	424	1,137	896	1,360	1,316	1,715	861	1,340	3,182	1,443
Total revenues	\$ 71,537	\$ 68,319	\$ 72,360	\$ 76,284	\$ 69,976	\$ 70,846	\$ 74,784	\$ 76,930	\$ 81,906	\$ 85,445
Expenditures										
General government	\$ 8,991	\$ 8,935	\$ 8,727	\$ 9,100	\$ 11,238	\$ 10,331	\$ 10,504	\$ 12,413	\$ 12,135	\$ 12,176
Public safety	32,747	34,634	35,256	35,100	36,077	36,072	35,521	37,029	39,141	40,633
Public works	8,874	8,884	9,432	9,838	8,361	8,130	7,924	8,581	8,971	10,798
Environmental Protection	-	-	-	-	-	-	-	-	3,534	1,454
Cultural and Recreation	3,886	8,235	8,443	8,772	4,121	4,748	5,176	6,018	5,874	11,084
Economic and physical development	7,560	4,328	4,545	4,956	11,630	10,585	19,185	15,964	18,373	12,668
Capital Outlay	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)	(1,312)	(1,522)
Contribution to OPEB Trust	250	250	250	250	300	350	400	450	500	500
Debt service										
Principal	10,636	3,130	3,389	3,047	12,613	3,342	3,766	3,808	3,928	4,578
Interest and fees	1,440	1,682	1,580	1,684	2,010	894	1,034	871	1,182	1,083
Total expenditures	\$ 85,310	\$ 79,149	\$ 81,110	\$ 82,793	\$ 89,122	\$ 76,932	\$ 84,821	\$ 83,743	\$ 92,326	\$ 93,452
Excess of revenues over (under) expenditures	\$ (13,773)	\$ (10,830)	\$ (8,750)	\$ (6,509)	\$ (19,146)	\$ (6,086)	\$ (10,037)	\$ (6,813)	\$ (10,420)	\$ (8,007)
Other financing sources (uses)										
Transfers from other funds	\$ 23,854	\$ 12,999	\$ 12,739	\$ 14,207	\$ 12,127	\$ 16,027	\$ 15,880	\$ 16,410	\$ 18,823	\$ 25,750
Transfers to other funds	(19,124)	(8,127)	(7,432)	(8,774)	(7,766)	(11,213)	(11,622)	(11,277)	(14,166)	(21,518)
Payments to Escrow Agents	-	-	-	-	(9,750)	-	-	(6,248)	-	-
Sale of Property	175	-	-	-	-	-	-	-	-	-
Payments to Escrow Agents	-	-	-	(4,208)	-	-	-	-	-	-
Premium received on long term debt issues	-	-	-	-	-	-	-	-	696	-
Refunding debt issued	-	-	-	-	-	-	-	6,185	-	-
Long Term debt issued	12,014	-	3,244	4,293	22,541	4,997	4,200	2,096	9,500	-
Total other financing sources (uses)	\$ 16,919	\$ 4,872	\$ 8,551	\$ 5,518	\$ 17,152	\$ 9,811	\$ 8,458	\$ 7,166	\$ 14,853	\$ 4,232
Net change in fund balances	\$ 3,146	\$ (5,958)	\$ (199)	\$ (991)	\$ (1,994)	\$ 3,725	\$ (1,579)	\$ 353	\$ 4,433	\$ (3,775)
Debt services as a percentage of noncapital expenditures	16.0%	7.0%	7.0%	7.0%	17.0%	6.0%	6.0%	6.0%	6.3%	6.4%

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

Note 2: Amounts are expressed in thousands.

CITY OF GREENVILLE, NORTH CAROLINA
GREENVILLE UTILITIES COMMISSION - REVENUE BASE

Table 5

LAST TEN FISCAL YEARS

Fiscal Year	Electric kWh Sold		Water Kgal Sold		Gas ccf Sold	
	Residential	Commercial and Industrial	Residential	Commercial and Industrial	Residential	Commercial and Industrial
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
2017	712,955,477	1,004,017,437	2,045,980	1,973,229	6,941,053	22,957,109
2018	751,195,332	1,013,610,069	2,081,417	2,032,027	9,010,170	25,457,611

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Real Property Residential and Commercial Property</u>	<u>Personal Property Motor Vehicle and Other Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>(2) Total Direct Tax Rate</u>	<u>Estimated Actual Taxable/Market Value</u>	<u>(1) Assessed Value as a Percentage of Market Value</u>
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%
2017	5,642,813,653	855,862,885	6,498,676,538	0.0052	6,498,676,538	100.00%
2018	5,715,329,808	869,758,846	6,585,088,654	0.0052	6,585,088,654	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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Electric (per kWh)										
Residential	\$ 0.1241	\$ 0.1280	\$ 0.1290	\$ 0.1310	\$ 0.1299	\$ 0.1310	\$ 0.1309	\$ 0.1249	\$ 0.1010	\$ 0.1195
Commercial & Industrial	0.0993	0.1031	0.1038	0.1025	0.1027	0.1031	0.1028	0.0945	0.0980	0.0940
Water (per kgal)										
Residential	4.2999	4.3392	4.5887	5.0031	5.0344	5.0703	5.3871	5.6670	5.7550	5.6620
Commercial & Industrial	2.7337	2.7720	2.8823	3.0610	2.8911	2.8810	3.0439	3.1589	3.2300	3.2250
Gas (per ccf)										
Residential	1.8639	1.5896	1.4856	1.5097	1.3558	1.4078	1.4695	1.3853	1.1180	1.4050
Commercial & Industrial	1.4106	1.0519	1.0119	0.9488	0.8636	0.9205	0.9365	0.7745	0.9718	0.9195

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
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
2017	0.520	33,536,293	0.686	77,888,277	1.206	111,424,570
2018	0.520	34,002,040	0.686	80,652,186	1.206	114,654,226

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

CITY OF GREENVILLE, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

Table 9

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018		Percentage of Total Taxable Assessed Value	2009		Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Walmart (Retail)	\$ 46,565,229	1	0.71%			
North Campus Crossing				\$ 45,418,511	1	0.78%
RPI Greenville Mall LP	44,614,187	2	0.68%			
Marelda Greenville Mall/ Colonial Mall				41,894,700	2	0.72%
Copper Beech Townhome Communities Thirty SPE LLC	38,203,386	3	0.58%			
Carolina Telephone				38,903,531	3	0.67%
PEP ECU LLC	34,059,395	4	0.52%			
Corridor Greenville LLC				28,487,163	4	0.49%
401 Moye Boulevard Realty DST	31,901,462	5	0.49%			
Southeast Region (Pirates Cove)				21,836,822	5	0.38%
PL Greenville LP	32,243,454	6	0.49%			
PL Greenville LP				21,814,029	6	0.38%
Province Greenville NC LP THE	30,431,500	7	0.46%			
Waterford Place (Apartments)				20,772,995	7	0.36%
Taft Ward ECU Campus Edge Apts. LLC	32,853,121	8	0.50%			
Centro Heritage UC Greenville (University Commons)				20,710,833	8	0.36%
Heritage At Arlington Apts. LLC	26,758,942	9	0.41%			
Lowes Home Centers (Two Locations)				20,275,400	9	0.35%
33 East Apartments LLC	26,219,629	10	0.40%			
Treybrook LLC (I & II)				19,034,512	10	0.33%
Totals	\$ 343,850,305		5.24%	\$ 279,148,496		4.81%

Note: Information obtained from Pitt County Government.

CITY OF GREENVILLE, NORTH CAROLINA
TOP CUSTOMERS - GREENVILLE UTILITIES COMMISSION

Table 10

CURRENT YEAR AND NINE YEARS AGO

Page 1 of 4

Electric Fund Customer	Product/Service	Fiscal Year 2018		Fiscal Year 2009	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 5,523,839	3.19%	\$ 4,136,998	2.32%
DSM Dyneema, LLC	High Performance Fibers	4,654,635	2.69%	6,428,776	3.60%
Vidant Medical Center ²	Health Care	4,449,537	2.57%	4,940,101	2.77%
East Carolina University	Education	3,683,910	2.13%	3,523,452	1.97%
Attends Healthcare Products	Medical Products	2,950,250	1.71%	2,646,653	1.48%
East Carolina University	Education	2,715,326	1.57%	2,963,914	1.66%
East Carolina University	Education	1,888,037	1.09%	2,778,090	1.56%
Vidant Medical Center ²	Health Care	1,719,632	0.99%	1,239,627	0.69%
Mayne Pharma Inc	Pharmaceuticals	1,463,122	0.85%		
City of Greenville	Government	1,424,432	0.82%		
ASMO of Greenville	Motors			944,825	0.53%
Hyster Yale Group ³	Fork Lift Trucks			1,015,586	0.57%
Totals		<u>\$ 30,472,720</u>	<u>17.62%</u>	<u>\$ 30,618,022</u>	<u>17.15%</u>

CITY OF GREENVILLE, NORTH CAROLINA
TOP CUSTOMERS - GREENVILLE UTILITIES COMMISSION

Table 10

CURRENT YEAR AND NINE YEARS AGO

Page 2 of 4

Water Fund Customer	Product/Service	Fiscal Year 2018		Fiscal Year 2009	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Town of Farmville	Government	\$ 763,871	3.94%		
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	745,359	3.85%	\$ 358,479	2.76%
Town of Winterville	Government	371,686	1.92%	166,263	1.28%
Vidant Medical Center ²	Health Care	227,576	1.17%	86,253	0.66%
DSM Dyneema, LLC	High Performance Fibers	159,320	0.82%	105,421	0.81%
Fuji Silysia Chemical USA, LTD	Silica Gel	132,051	0.68%	53,907	0.41%
DSM Dyneema, LLC	High Performance Fibers	124,663	0.64%	72,076	0.55%
Vidant Medical Center ²	Health Care	119,807	0.62%		
Vidant Medical Center ²	Health Care	117,417	0.61%		
Stokes Regional Water Corporation	Water Utility	76,200	0.39%		
Greenville Housing Authority	Apartments			69,801	0.54%
East Carolina University	Education			62,752	0.48%
Pitt County	Government			220,505	1.70%
Greenville Housing Authority	Apartments			50,986	0.39%
Totals		<u>\$ 2,837,950</u>	<u>14.65%</u>	<u>\$ 1,246,443</u>	<u>9.58%</u>

CITY OF GREENVILLE, NORTH CAROLINA
TOP CUSTOMERS - GREENVILLE UTILITIES COMMISSION

Table 10

CURRENT YEAR AND NINE YEARS AGO

Page 3 of 4

Sewer Fund Customer	Product/Service	Fiscal Year 2018		Fiscal Year 2009	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 808,606	3.59%	\$ 549,280	4.16%
DSM Dyneema, LLC	High Performance Fibers	649,294	2.88%	131,131	0.99%
Town of Bethel	Government	587,827	2.61%	197,597	1.50%
Vidant Medical Center ²	Health Care	411,986	1.83%	334,653	2.54%
Fuji Silysia Chemical USA, LTD	Silica Gel	252,677	1.12%	86,345	0.65%
Vidant Medical Center ²	Health Care	214,923	0.95%	130,898	0.99%
Vidant Medical Center ²	Health Care	212,599	0.94%	73,117	0.55%
East Carolina University	Education	112,578	0.50%	73,827	0.56%
Province Greenville NC LP	Apartments	98,390	0.44%		
Mayne Pharma Inc	Pharmaceuticals	84,505	0.38%		
Greenville Housing Authority	Apartments			75,969	0.58%
Pitt County	Government			61,975	0.47%
Totals		<u>\$ 3,433,385</u>	<u>15.24%</u>	<u>\$ 1,714,792</u>	<u>12.99%</u>

CITY OF GREENVILLE, NORTH CAROLINA
TOP CUSTOMERS - GREENVILLE UTILITIES COMMISSION

CURRENT YEAR AND NINE YEARS AGO

Gas Fund Customer	Product/Service	Fiscal Year 2018		Fiscal Year 2009	
		Annual Revenue	Percentage of Total Revenue	Annual Revenue	Percentage of Total Revenue
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 2,637,037	7.41%	\$ 3,067,175	6.90%
East Carolina University	Education	2,115,514	5.95%	4,283,144	9.64%
Vidant Medical Center ²	Health Care	1,716,294	4.82%	2,489,716	5.60%
Mayne Pharma Inc	Pharmaceuticals	931,930	2.62%		
Vidant Medical Center ²	Health Care	926,022	2.60%	750,200	1.69%
DSM Dyneema, LLC	High Performance Fibers	760,571	2.14%	1,840,049	4.14%
DSM Dyneema, LLC	High Performance Fibers	750,720	2.11%	1,253,777	2.82%
East Carolina University	Education	712,562	2.00%	1,729,956	3.89%
Fuji Silysia Chemical USA, LTD	Silica Gel	586,254	1.65%		
Hyster Yale Group ³	Fork Lift Trucks	542,766	1.53%	593,545	1.34%
Metallix, Inc.	Refining Precious Metals			657,569	1.48%
Greenville Paving & Contracting, Inc.	Construction			599,888	1.35%
Totals		<u>\$ 11,679,670</u>	<u>32.83%</u>	<u>\$ 17,265,019</u>	<u>38.85%</u>

¹ Formerly DSM Pharmaceuticals, Inc.

² Formerly Pitt County Memorial Hospital

³ 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
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
2017	33,536,293	18,469,673	7,703,174	403,408	152,527	60,265,075
2018	34,002,040	19,117,701	7,697,099	386,066	150,760	61,353,666

* 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)	Collected within the		Collections in Subsequent Years	Total Collections to Date	
	Total Levy for Fiscal Year	Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 26,650,553	\$ 25,866,384	97.06%	\$ 711,199	\$ 26,577,583	99.73%
2009	30,211,997	29,330,914	97.08%	768,966	30,099,880	99.63%
2010	31,039,086	30,202,323	97.30%	725,731	30,928,054	99.64%
2011	30,838,534	29,811,533	96.67%	837,702	30,649,235	99.39%
2012	31,389,341	30,505,550	97.18%	720,844	31,226,394	99.48%
2013	30,005,085	29,195,139	97.30%	173,953	29,195,139	97.30%
2014	31,657,568	31,205,438	98.57%	354,202	31,205,438	98.57%
2015	32,647,441	32,389,782	99.21%	28,996	32,389,782	99.21%
2016	32,676,680	32,488,669	99.42%	97,500	32,488,669	99.42%
2017	33,704,285	33,536,293	99.50%	104,722	33,536,293	99.50%
2018	34,150,363	34,002,040	99.57%	-	34,002,040	99.57%

(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			
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	2.19%	1,600
2016	8,667	6,455	-	20,251	93,652	3,838	959	46,663	180,485	2.68%	2,005
2017	15,832	5,960	-	19,158	87,558	3,493	801	58,060	190,862	(1)	2,075
2018	14,666	5,435	-	16,339	87,629	3,114	642	38,764	166,589	(1)	1,811

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
2009	\$ 18,590	\$ 916	\$ 17,674	0.33%	0.68%	\$ 218
2010	15,315	892	14,423	0.25%	0.60%	176
2011	17,948	943	17,005	0.30%	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	0.20%	0.21%	146
2016	12,505	354	12,151	0.18%	0.19%	135
2017	19,325	661	18,664	(1)	0.30%	203
2018	17,780	771	17,009	(1)	0.27%	185

- 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 464,000	\$ 477,264	\$ 474,012	\$ 489,077	\$ 461,333	\$ 486,793	\$ 489,684	\$ 499,302	\$ 480,851	\$ 526,807
Total net debt applicable to limit	<u>163,305</u>	<u>161,665</u>	<u>157,611</u>	<u>150,355</u>	<u>156,000</u>	<u>152,518</u>	<u>142,395</u>	<u>180,485</u>	<u>189,317</u>	<u>166,589</u>
Legal debt margin	<u>\$ 300,695</u>	<u>\$ 315,599</u>	<u>\$ 316,401</u>	<u>\$ 338,722</u>	<u>\$ 305,333</u>	<u>\$ 334,275</u>	<u>\$ 347,289</u>	<u>\$ 318,817</u>	<u>\$ 291,534</u>	<u>\$ 360,218</u>
Total net debt applicable to the limit as a percentage of debt limit	35.20%	33.87%	33.25%	30.74%	33.82%	31.33%	29.08%	36.15%	39.37%	31.62%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$6,585,088,654
Debt Limit (8% of total assessed value)	526,807,092
Debt applicable to limit:	
General obligation bonds	17,780,000
Special obligation revenue	5,435,000
Revenue bonds	87,629,000
Other Debt	<u>55,745,000</u>
Legal debt margin	<u>\$ 360,218,092</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.

Amounts are expressed in thousands.

CITY OF GREENVILLE, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Table 16

AS OF JUNE 30, 2018

<u>Governmental Unit</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping			
Pitt County	\$ 18,235,000	50.13%	\$ 9,141,206
Direct			
City of Greenville			<u>40,949,754</u>
Total direct and overlapping debt			<u><u>\$ 50,090,960</u></u>

Note: Amounts are 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
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
2017	248,339	206,715	41,624	10,421	2,661	13,082	3.18	1,275	440	215	1.95
2018	258,946	211,662	47,284	9,963	4,321	14,284	3.31	1,270	450	121	2.22

Note: Amounts are 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
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	6,513,624	37,042	26	23,511	6.9%
2016	90,597	6,724,276	37,943	26	23,056	5.9%
2017	91,495	(1)	(1)	28	23,310	4.9%
2018	93,107	(1)	(1)	(1)	26,600	4.2%

Note 1: Population and Unemployment rate information obtained from Pitt County Development Commission.

Note 2: Personal Income and Per Capita information obtained from U.S. Bureau of Economic Analysis.

Note 3: Personal Income and Per Capita information is calculated on a County level. Information not maintained at City level.

Note 4: 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.

(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	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vidant Health	6,760	1	12.20%	6,600	1	9.29%
East Carolina University	5,750	2	10.38%	5,253	2	7.40%
Pitt County Public Schools	3,650	3	6.59%		NR*	
Patheon, Inc. (DSM Pharmaceuticals)	1,261	4	2.28%	1,200	3	1.69%
Hyster-Yale (NACCO)	1,173	5	2.12%	1,200	4	1.69%
City of Greenville	1,132	6	2.04%		NR*	
Pitt Community College	1,100	7	1.99%		NR*	
County of Pitt	901	8	1.63%		NR*	
Alliance One International	850	9	1.53%		NR*	
ASMO	722	10	1.30%	400	5	0.56%
Total	23,299		40.76%	14,653		20.07%

Note: Information obtained from Pitt County Development Commission.

*NR = Not Ranked in Year Listed

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

Table 20

LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
General government	68	68	68	62	65	68	61	56	63	64
Public safety										
Police	278	239	239	240	240	241	233	239	230	293
Fire	158	157	157	157	153	158	148	158	153	152
Public Works	205	205	205	204	204	188	168	152	154	157
Recreation and Parks	62	62	62	65	65	67	57	74	56	51
Community Development	25	26	26	26	34	36	30	39	32	32
Electric	204	192	196	197	197	210	135	203	137	135
Water and Sewer	157	158	158	159	159	167	117	120	122	122
Gas	68	67	67	64	66	70	51	77	54	49
Total Employees	<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>1,118</u>	<u>1,001</u>	<u>1,055</u>

Note: Electric, Water, Sewer, and Gas prior year(s) numbers have changed due to Greenville Utilities Commission and supporting departments.

Source: Human Resources Department and Greenville Utilities Commission.

CITY OF GREENVILLE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION

Table 21

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Police:										
Physical arrests	5,141	4,826	4,888	4,861	5,592	5,487	4,590	4,254	3,645	3,650
Parking violations	15,112	11,862	4,658	5,537	7,522	8,646	8,717	13,970	14,482	21,789
Traffic violations	17,527	20,326	16,235	15,420	16,975	11,979	9,720	8,753	6,922	7,433
Fire:										
Number of calls answered	4,711	4,114	4,746	5,339	5,479	5,753	2,706	2,959	3,087	2,946
Inspections	2,340	2,644	2,787	2,593	1,902	1,571	1,938	1,699	2,709	3,333
EMS:										
Number of calls answered	11,227	13,035	15,149	15,006	15,080	15,353	13,917	14,065	15,001	14,757
Sanitation:										
Refuse collected (tons/year)	28,458	29,163	28,286	29,309	27,888	27,955	28,318	28,558	27,235	28,390
Recyclables collected (tons/year)	3,030	3,599	4,038	5,538	5,101	4,446	3,366	3,920	4,154	4,449
Culture and recreation:										
Facility reservations issued	1,140	1,560	1,936	2,013	1,841	1,692	1,798	2,106	1,292	1,292
Water:										
Connections (of service connect)	33,733	34,336	34,419	34,514	34,742	34,959	35,179	35,599	35,794	36,338
Water Lines (miles)	618	626	626	628	628	627	628	629	631	631
Average daily consumption (thousands of gallons)	10,785	10,977	11,850	11,896	12,008	12,394	12,800	12,384	12,237	12,800
Wastewater:										
Average daily sewage treatment (thousands of gallons)	8,879	10,120	9,593	10,301	10,426	10,530	10,800	11,195	10,220	9,550

Sources: Various government and Greenville Utilities Commission departments.

CITY OF GREENVILLE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION

Table 22

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public safety:										
Police Stations	1	2	3	3	3	3	3	3	4	4
Patrol units	180	183	192	203	203	202	178	202	208	214
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation:										
Collection trucks	42	42	42	42	41	38	41	45	40	40
Highways and streets:										
Streets (miles)	255.0	263.8	269.9	269.0	269.1	269.33	269.59	269.1	270.78	272.08
Streetlights	6,672	6,672	6,993	7,065	7,105	7,152	7,220	7,105	7,250	7,448
Traffic signals	33	33	33	33	33	33	33	33	33	32
Culture and recreation:										
Parks acreage	1,450	1,450	1,455	1,455	1,455	1,455	1,455	1,454	1,460	1,466
Parks	29	29	29	29	29	29	29	26	26	27
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spraygrounds	-	-	-	-	1	1	1	1	1	1
Tennis courts	24	24	24	24	24	24	24	21	21	20
Community centers	5	5	2	3	3	3	3	3	3	3
Recreation Centers	6	6	6	6	6	6	6	7	7	7
Specialty Centers	-	-	3	3	3	3	3	3	3	3
Electric:										
Number of distribution stations	18	19	19	19	19	19	19	19	23	19
Miles of service lines	2,575	2,575	2,672	2,714	2,719	2,781	2,804	2,901	2,917	2,939
Water:										
Water lines (miles)	618	618	626	628	628	627	628	629	631	631
Maximum daily treatment capacity (millions of gallons)	24.5	24.5	24.5	24.5	24.5	24.5	22.5	24.5	22.5	17.8
Sewer:										
Sanitary sewers (miles)	466	468	469	471	479	471	475	479	479	481
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	1,016	1,019	1,024	1,034	1,043	1,049	1,051	1,054	1,067	1,070
Miles of service lines	423	422	424	430	434	437	438	440	446	446



Single Audit & Compliance

FY 2018 Comprehensive
Annual Financial Report

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor
and Members of the City Council
City of Greenville
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina, (the "City") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 29, 2018.

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.

Chemy Bekaert LLP

Raleigh, North Carolina
November 29, 2018

**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, 2018. 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 Federal and State statutes, regulations, contracts, and the terms and conditions of its federal awards 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, 2018.

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 a 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 material weaknesses or significant deficiencies. 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.

Chemy Bekaert LLP

Raleigh, North Carolina
November 29, 2018

**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, 2018. 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 State statutes, regulations, contracts, and the terms and conditions of its State awards 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, 2018.

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.

Chemy Bekaert LLP

Raleigh, North Carolina
November 29, 2018

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

YEAR ENDED JUNE 30, 2018

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
16.710	Public Safety Partnership and Community Policing Grants
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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, 2018

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

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, 2018

Finding 2017-001

Status: Completed

Finding 2017-002

Status: Completed

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

YEAR ENDED JUNE 30, 2018

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:							
Cash Programs:							
U.S. Department of Housing and Urban Development							
Direct Programs -							
<u>Community Development Block Grant - Entitlement Grants Cluster</u>							
CDBG Entitlement Grant	14.218		\$ 18,126	\$ -	\$ -	\$ 9,710	\$ 27,836
CDBG Entitlement Grant	14.218		18,911	-	-	10,131	29,042
CDBG Entitlement Grant	14.218		464,262	-	65,103	248,709	712,971
CDBG Entitlement Grant	14.218		144,936	-	15,853	77,643	222,579
Total CDBG Entitlement Grants Cluster			646,235	-	80,956	346,193	992,428
HOME Investment Partnerships Program	14.239		29,040	-	-	2,529	31,569
HOME Investment Partnerships Program	14.239		13,560	-	-	1,181	14,741
HOME Investment Partnerships Program	14.239		16,701	-	-	1,454	18,155
			59,301	-	-	5,164	64,465
Total U.S. Department of Housing and Urban Development			705,536	-	80,956	351,357	1,056,893
U.S. Department of Transportation							
Direct Programs -							
<u>Highway Planning and Construction Cluster</u>							
Highway Planning and Construction Cluster	20.505		167,399	-	-	41,850	209,249
Passed through NC Public Transportation Division							
Highway Planning and Construction Cluster	20.505	N/A	36,000	3,000	-	3,000	42,000
Total Highway Planning and Construction Cluster			203,399	3,000	-	44,850	251,249
<u>Federal Transit Cluster</u>							
Federal Transit - Formula Grants	20.507		14,210	-	-	14,210	28,420
Federal Transit - Formula Grants	20.507		51,543	-	51,543	16,985	68,528
Federal Transit - Formula Grants	20.507		236,478	-	-	59,119	295,597
Federal Transit - Formula Grants	20.507		777,729	-	-	777,729	1,555,458
Federal Transit - Formula Grants	20.507		43,993	-	43,993	8,950	52,943
Federal Transit - Formula Grants	20.507		46,615	-	-	11,654	58,269
Federal Transit - Formula Grants	20.507		327,321	-	-	81,830	409,151
Federal Transit - Formula Grants	20.507		8,205	-	8,205	2,051	10,256
Federal Transit - Formula Grants	20.507		103,814	-	-	25,954	129,768
Federal Transit - Formula Grants	20.507		40,000	-	40,000	10,000	50,000
Federal Transit - Formula Grants	20.507		415,128	-	-	51,891	467,019
Federal Transit - Formula Grants	20.507		3,388,303	-	-	423,538	3,811,841
Total Federal Transit Cluster			5,453,339	-	143,741	1,483,911	6,937,250
Total U.S. Department of Transportation			5,656,738	3,000	143,741	1,528,761	7,188,499
U.S. Department of Justice							
Direct Programs -							
Public Safety Partnership and Community Policing Grants	16.710		396,868	-	-	179,773	576,641
National Sexual Assault Kit Initiative	16.833		14,957	-	-	2,554	17,511
Edward Byrne Memorial Justice Assistance Grant Program	16.738		44,693	-	31,405	-	44,693
Equitable Sharing Program	16.922		345,580	-	-	-	345,580
Passed through the Governors Crime Commission							
Crime Victim Assistance	16.575	Child Advocate Grant	46,949	-	-	11,737	58,686
Total U.S. Department of Justice			849,047	-	31,405	194,064	1,043,111
U.S. Department of Homeland Security							
Direct Program -							
Homeland Security Grant Program	97.067		15,331	-	-	-	15,331
Passed through N.C. Department of Public Safety							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4285-DR-NC	424,752	108,876	-	(152,880)	380,748
Total Department of of Homeland Security			440,083	108,876	-	(152,880)	396,079
Environmental Protection Agency							
Direct Programs -							
Brownfields Training, Research, and Technical Assistance Grants	66.814		18,628	-	-	980	19,608
Noncash Programs:							
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	CS370487-10	2,811,954	-	-	1,000,000	3,811,954
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370487-09	32,034	-	-	19,280	51,314
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370487-11	1,135,250	-	-	-	1,135,250
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370487-12	702,211	-	-	178,906	881,117
Total Clean Water State Revolving Fund Cluster			4,681,449	-	-	1,198,186	5,879,635
<u>Clean Water State Revolving Fund Cluster</u>							
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WIF-1907	520,712	-	-	-	520,712
Total Drinking Water State Revolving Fund Cluster			520,712	-	-	-	520,712
Total Environmental Protection Agency			5,220,789	-	-	1,199,166	6,419,955

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

YEAR ENDED JUNE 30, 2018

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
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE							
Cash Assistance:							
Housing Finance Agency							
Urgent Repair Program	N/A	NCHFA-1	-	13,409	-	-	13,409
Disaster Recovery	N/A	NCHFA-DR	-	24,456	-	-	24,456
Total Housing Finance Agency			-	37,865	-	-	37,865
Department of Transportation							
Division of Highways							
Powell Bill Funds	N/A	N/A	-	2,185,760	-	-	2,185,760
Public Transportation Division							
Urban/Regional Bus and Facility Program	N/A	NC-04-0032-00	-	51,891	-	-	51,891
Urban/Regional Bus and Facility Program	N/A	N/A	-	423,538	-	-	423,538
Public Transportation and Rail Division							
State Maintenance Assistance Program (SMAP)	N/A	17SMAP012	-	292,055	-	-	292,055
Total Department of Transportation			-	2,953,244	-	-	2,953,244
Department of Environmental Quality							
Division of Waste Management							
Disaster Recovery Grant	N/A	MATTHEW1001	-	152,880	-	-	152,880
Total Department of Environmental Quality			-	152,880	-	-	152,880
Department of Public Safety							
Governor's Crime Commission							
Transparency and Trust	N/A	PROJ012808	-	98,355	-	98,355	196,710
Total Department of Public Safety			-	98,355	-	98,355	196,710
Department of Commerce							
Building Reuse Grant	N/A	2014-38-3201-2587	-	175,000	-	7,500	182,500
Total Department of Commerce			-	175,000	-	7,500	182,500
Total Federal and State Assistance			\$ 12,872,193	\$ 3,529,220	\$ 256,102	\$ 3,226,323	\$ 19,627,736

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

YEAR ENDED JUNE 30, 2018

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, 2018. 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—State match to Federal Transit Cluster Grant

The North Carolina Department of Transportation Urban/Regional Bus and Facility Program grant provides the state match to the NC-04-0032-00 grant.

Note 4 - Reductions of local expenditures

Certain expenditures incurred in fiscal year 2017 that were associated with disaster recovery were reported as local expenditures in the fiscal year 2017 Schedule of Expenditures of Federal and State Awards. Subsequently, in fiscal year 2018, the North Carolina Department of Environmental Quality awarded Greenville Utilities Commission a Disaster Recovery Grant to reimburse those expenditures. Therefore, those expenditures are reported in this Schedule of Expenditures of Federal and State Awards as a reduction of local expenditures related to FEMA Disaster Assistance awards and expenditures of the fiscal year 2018 State Disaster Recovery Grant award.



Greenville
NORTH CAROLINA

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