



Popular Annual Financial Report

Year Ended
June 30, 2020



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The Government Finance Officers Association of the United States and Canada (GFOA) presented a **Distinguished Budget Presentation Award** to the City of Greenville, North Carolina for its biennial budget for fiscal year July 1, 2018–June 30, 2019, a **Certificate of Achievement for Excellence in Financial Reporting** for its commitment to financial transparency for fiscal year ended June 30, 2019, and an **Award for Outstanding Achievement in Popular Annual Financial Reporting** for its Annual Financial Report for the fiscal year ended June 30, 2019.

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



FINANCIAL TRANSPARENCY TOOL

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

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OVERVIEW

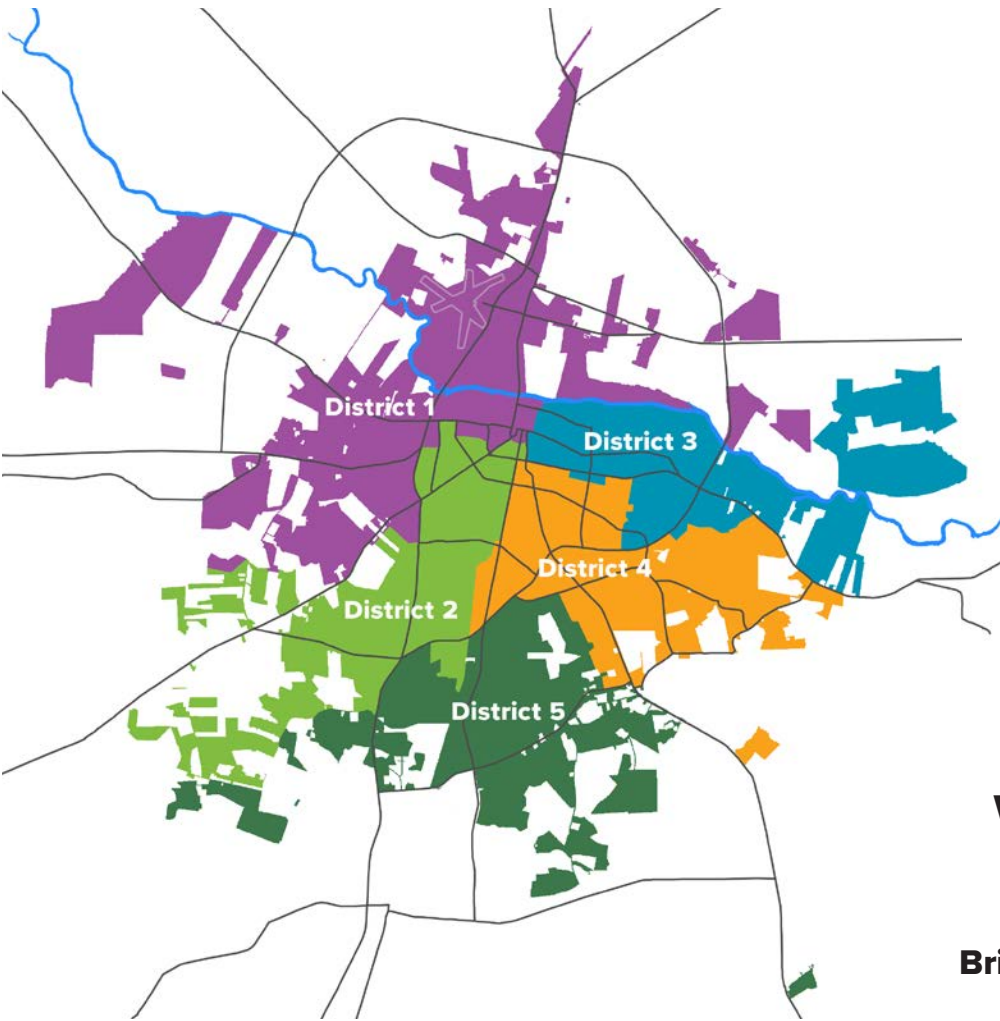


The City of Greenville financial cycle begins on July 1 and ends on June 30. During this time frame, two major processes take place: the Annual Operating and Capital Budget process and the Annual Audit. The 2020 Popular Annual Financial Report (PAFR) provides an overview of the City’s financial results and is intended to increase awareness throughout the community of the City’s financial operations.

The financial information is obtained from the audited financial statements in the City’s 2020 Comprehensive Annual Financial Report (CAFR). The PAFR is not required to present the same level of detail as the CAFR and, therefore, may not fully conform to generally accepted accounting principles (GAAP).

This report highlights the overall financial condition and trends of the City. The 2020 CAFR is audited by Cherry Beckaert LLP and has received an unmodified or “clean” audit opinion. This report may be viewed on the City’s website, located at GreenvilleNC.gov.

CITY COUNCIL & DISTRICTS



P.J. Connelly
Mayor



Rose Glover
Mayor Pro-Tem
District 2



Monica Daniels
District 1



Will Bell
District 3



Rick Smiley
District 4



William Litchfield
District 5



Brian Meyerhoeffer
at-Large



MANAGER'S MESSAGE

I am pleased to present, on behalf of the City Council and the Management of the City of Greenville, the City's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2020. Provided in this report are the financial highlights from the previous fiscal year. The City provides significant financial detail through the Comprehensive Annual Financial Report (CAFR) which is available to you on the City's website, greenvillenc.gov.

Analyzing financial statements can be challenging, especially for those who do not do so on a regular basis. The PAFR is designed to address that issue by providing a summary of the City's financial position in a user-friendly format. The PAFR is intended to be a supplement to the CAFR, not a replacement.

The City of Greenville prides itself on its comprehensive and quality services, all provided while maintaining a sound financial position. It is an important part of our financial mission at the City of Greenville to be transparent in providing you with complete information on the finances of our programs. We hope that you find it to be informative and understandable. As you review this PAFR, please feel free to share any questions, concerns, or recommendations you may have with us.

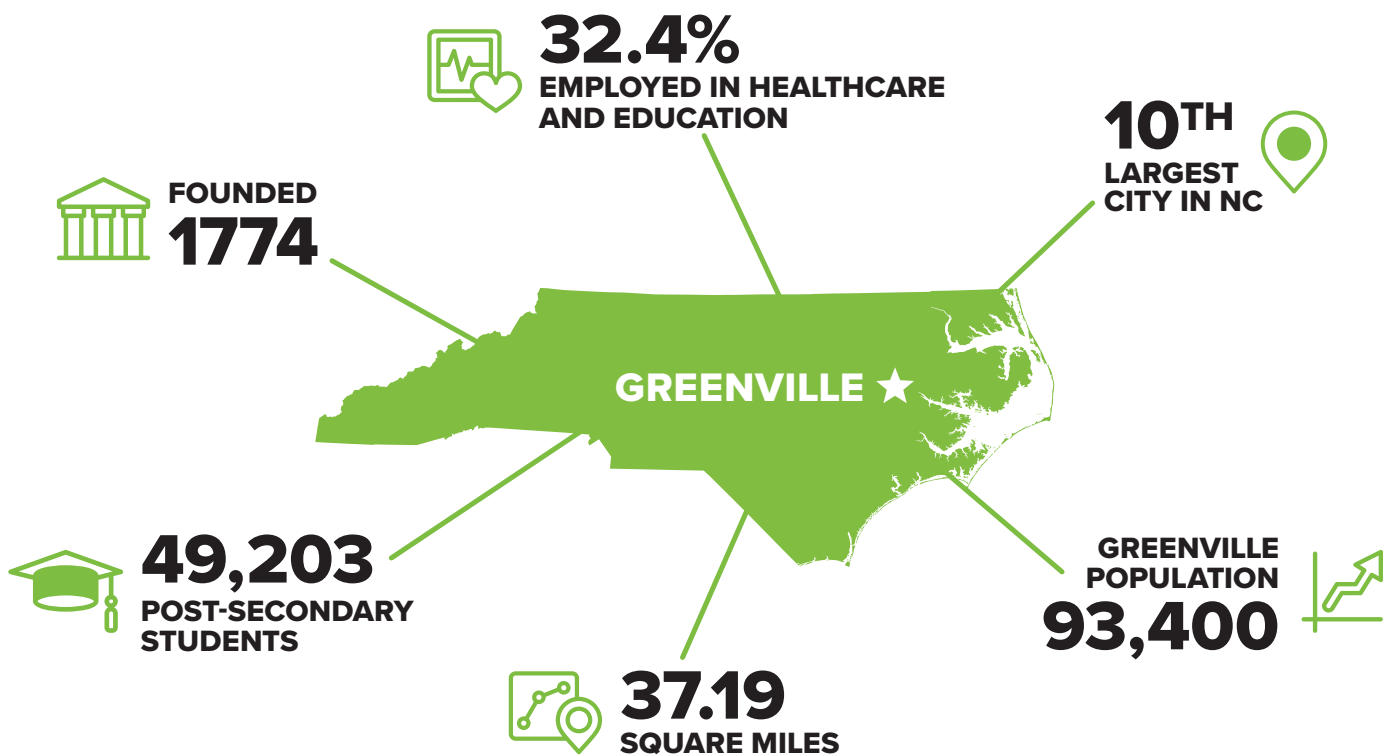


A handwritten signature in black ink that reads "Ann E. Wall". The signature is fluid and cursive, with a large loop at the end of the last name.

Ann E. Wall
City Manager

OUR COMMUNITY

Anchored by East Carolina University and Vidant Health (Uni-Med), Greenville is the medical, education, retail and entertainment hub of Eastern North Carolina. It's also the 10th largest city in North Carolina, with a population of 93,400 (2019 U.S. Census estimate). The City of Greenville is ranked in the top ten of the nation's "Best Small Places For Business And Careers" by Forbes Magazine, top ten of the nation's "Micro Cities of the Future" by Financial Times, and top 100 of the nation's "Best Communities for Young People" by America's Promise Alliance. Reasons for Greenville's accolades include a business friendly atmosphere, low cost of living and an educated population (37.7% City residents over the age of 25 have a bachelor's degree or higher, based on 2019 U.S. Census estimates).



MAJOR EMPLOYERS

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



6,400



5,600



3,700



1,250



FY 2020 FINANCIAL RESULTS

GOVERNMENTAL ACTIVITIES

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

Increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or declining. The City's revenue increased slightly over the prior year. Increases in operating expenditures year over year are due to continued investment in capital improvement projects.

BALANCE SHEET

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

BALANCE SHEET	FY 2018	FY 2019	FY 2020
Assets	\$ 278,945,939	\$ 289,650,955	\$ 305,267,761
Deferred Outflows	\$ 9,058,706	\$ 13,385,445	\$ 12,545,683
Liabilities	– \$ 113,107,771	– \$ 109,165,419	– \$ 119,214,268
Deferred Inflows	– \$ 1,149,308	– \$ 6,918,890	– \$ 5,621,727
Total Net Position	\$ 173,747,566	\$ 186,952,091	\$ 192,977,446

INCOME STATEMENT	FY 2018	FY 2019	FY 2020
Revenues	\$ 89,694,609	\$ 96,301,733	\$ 92,230,304
Transfers	\$ 6,302,102	\$ 6,195,920	\$ 6,114,174
Expenditures	– \$ 118,361,747	– \$ 89,293,128	– \$ 92,319,121
Change In Net Position	– \$ 22,365,036	\$ 13,204,525	\$ 6,025,358

ENTERPRISE ACTIVITIES

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

BALANCE SHEET	FY 2018	FY 2019	FY 2020
Assets	\$ 23,018,910	\$ 45,405,764	\$ 58,305,803
Deferred Outflows	\$ 828,767	\$ 1,201,302	\$ 1,111,519
Liabilities	– \$ 10,525,622	– \$ 29,032,039	– \$ 37,967,056
Deferred Inflows	– \$ 85,140	– \$ 621,262	– \$ 485,215
Total Net Position	\$ 13,236,915	\$ 16,953,765	\$ 20,965,051

INCOME STATEMENT	FY 2018	FY 2019	FY 2020
Revenues	\$ 14,920,909	\$ 16,246,929	\$ 17,050,931
Transfers	\$ 867,284	\$ 2,485,327	\$ 540,551
Expenditures	– \$ 12,660,741	– \$ 15,015,406	– \$ 13,580,196
Change In Net Position	\$ 3,127,452	\$ 3,716,850	\$ 4,011,286

INCOME STATEMENT

An income statement provides a summary of amounts received (revenues) and amounts spent (expenditures). The difference between revenue and expenditures shows the City's net position.

FY 2020 NET POSITION

When revenue exceeds expenditures, the City's net position improves. Approximately 88% of the City's net position is invested in capital infrastructure. Another 10% is restricted for specific projects. The remaining 2% is available for investment back into the community.

NET POSITION

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

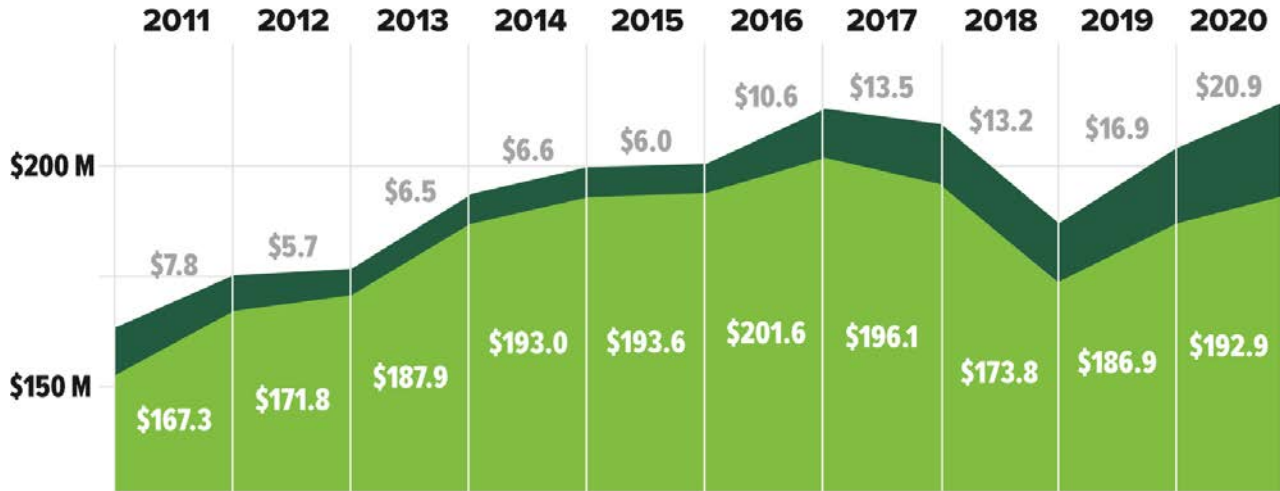
FY 2020 BALANCE SHEET

	Governmental Activities	Enterprise Activities	Total
Assets	\$ 305,267,761	\$ 59,417,322	\$ 363,573,564
Deferred Outflows	\$ 12,545,683	\$ 1,111,519	\$ 13,657,202
Liabilities	– \$ 119,214,268	– \$ 37,967,056	– \$ 157,181,324
Deferred Inflows	– \$ 5,621,727	– \$ 485,215	– \$ 6,106,942
Total Net Position	\$ 192,977,449	\$ 20,965,051	\$ 213,942,500

FY 2020 INCOME STATEMENT

	Governmental Activities	Enterprise Activities	Total
Revenues	\$ 92,230,304	\$ 17,050,931	\$ 109,281,235
Transfers	\$ 6,114,174	\$ 540,551	\$ 6,654,726
Expenditures	– \$ 92,319,121	– \$ 13,580,196	– \$ 105,899,317
Change in Net Position	\$ 6,025,358	\$ 4,011,286	\$ 10,036,644

NET POSITION BY FISCAL YEAR



GOVERNMENTAL FUNDS	
Beginning Net Position	\$ 186,952,091
Revenues	\$ 98,344,479
Expenditures	– \$ 92,319,121
Ending Net Position	\$ 192,977,446

ENTERPRISE FUNDS	
Beginning Net Position	\$ 16,953,765
Revenues	\$ 17,591,482
Expenditures	– \$ 13,580,196
Ending Net Position	\$ 20,965,051



FY 2020 NET POSITION INVESTMENT

- 88% Capital Assets**
- 10% Restricted (Specific Projects)**
- 2% Unrestricted (Community Investment)**

SOURCES OF CITY FUNDS

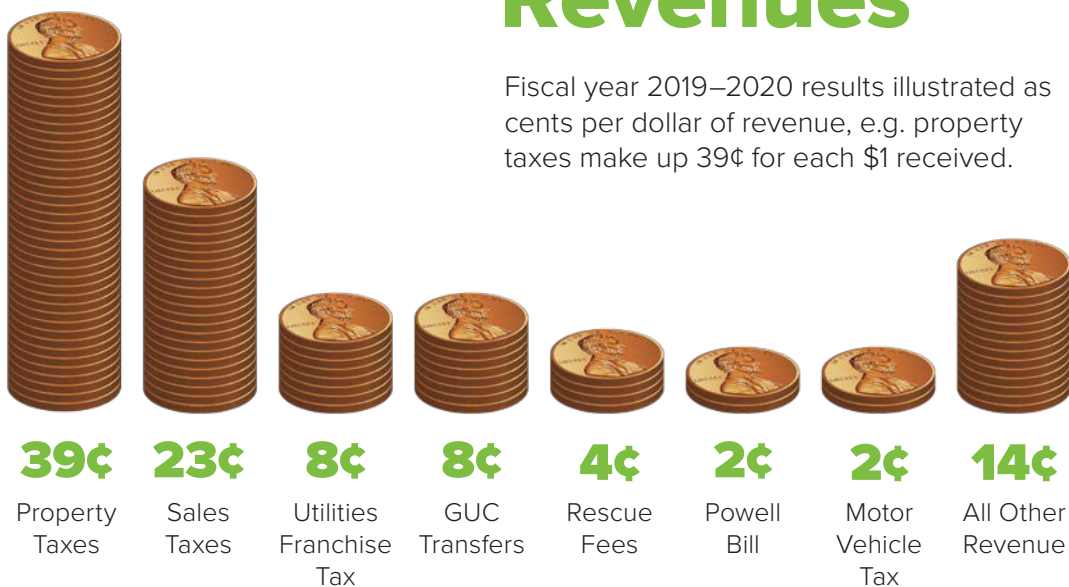
GENERAL FUND REVENUES

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

Revenue Sources	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Property taxes	\$ 32,314,362	\$ 32,868,696	\$ 33,178,636	\$ 34,254,841
Sales taxes	\$ 18,469,673	\$ 19,117,701	\$ 20,736,258	\$ 20,465,509
Motor vehicle tax	\$ 1,407,660	\$ 1,505,430	\$ 1,560,990	\$ 1,573,790
Utilities franchise tax	\$ 6,827,761	\$ 6,846,549	\$ 6,948,992	\$ 6,832,754
GUC transfers	\$ 6,661,899	\$ 6,600,783	\$ 6,717,814	\$ 6,654,003
Powell Bill	\$ 2,201,441	\$ 2,185,760	\$ 2,180,451	\$ 2,174,190
Rescue fees	\$ 2,692,167	\$ 3,637,467	\$ 3,394,942	\$ 3,182,772
All other sources	\$ 10,280,076	\$ 9,134,244	\$ 10,120,498	\$ 11,768,693
Total	\$ 80,855,039	\$ 81,896,630	\$ 84,838,581	\$ 86,906,552

Revenues

Fiscal year 2019–2020 results illustrated as cents per dollar of revenue, e.g. property taxes make up 39¢ for each \$1 received.



USES OF CITY FUNDS

GENERAL FUND EXPENDITURES

Each year, the City adopts its annual operating budget, which allocates limited dollars to the highest priorities as determined during the City Council planning retreat held each January. The General Fund is financed primarily by property and sales tax revenues, and supports core services such as public safety. The City provides many services to our citizens with the majority of our General Fund being dedicated to Public Safety, which includes Police at 31% and Fire/Rescue at 16% of the general government budget in fiscal year 2020.

Expenditures

Fiscal year 2019–2020 results illustrated as cents per dollar of expenditure, e.g. Police accounts for 31¢ of every \$1 spent.



Department Expenditures	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Police	\$ 23,763,595	\$ 25,960,778	\$ 25,132,600	\$ 25,997,198
Fire/Rescue	\$ 13,935,067	\$ 14,610,394	\$ 14,891,338	\$ 13,722,127
Public Works	\$ 8,971,389	\$ 9,298,479	\$ 9,500,256	\$ 10,242,327
Recreation & Parks	\$ 7,851,087	\$ 7,535,695	\$ 7,014,081	\$ 7,184,198
General government	\$ 13,344,627	\$ 13,595,055	\$ 14,878,773	\$ 14,782,046
Transfers to other funds	\$ 14,010,301	\$ 19,418,927	\$ 12,366,880	\$ 13,167,334
Total	\$ 81,876,066	\$ 90,418,927	\$ 83,783,92	\$ 85,095,230

PROPERTY TAX BREAKDOWN

In order for the City of Greenville to provide the many services it does for citizens, it needs to generate revenue. One of the main sources of revenue is Ad Valorem (or property) tax. With the property tax rate being 52¢ per \$100 of valuation for FY 2020, it made up 39% of the total General Fund revenues.

Property tax revenues consist of real property values, personal property values, motor vehicles, and public service companies. For FY 2020, the valuation estimate provided by the Pitt County Tax Office was \$6,910,780,193. This represented a 2.58% increase in tax values from the previous year.



Property tax obligation for home values at the fiscal year 2020 tax rate of 52¢ per \$100 of valuation:

- \$ 100,000 – \$ 520.00**
- \$ 150,000 – \$ 780.00**
- \$ 200,000 – \$ 1040.00**



39¢

Property Taxes

HISTORY OF GREENVILLE PROPERTY TAX RATES



CAPITAL IMPROVEMENTS

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



FY 2020 CAPITAL IMPROVEMENTS

49%	BUILD Grant	\$ 24,000,000
30%	Public Works & Engineering	\$ 14,569,213
6%	Recreation & Parks	\$ 3,060,200
15%	Other Projects	\$ 7,585,819



BOND REFERENDUM



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



STREET & PEDESTRIAN TRANSPORTATION IMPROVEMENTS BOND ALLOCATION

63%	Street Improvements	\$ 10,000,000
12%	West 5th Street Streetscapes	\$ 1,950,000
11%	10th Street Connector	\$ 1,750,000
9%	Sidewalks	\$ 1,400,000
5%	East Side Greenway	\$ 750,000
Total		<u>\$ 15,850,000</u>

UNDERSTANDING CITY DEBT

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt the City may have outstanding to eight percent (8%) of the appraised value of property subject to taxation. According to Pitt County Tax Assessor records, the City of Greenville has an estimated assessed value of \$6,910,780,193 for fiscal year 2020. Based on this, the City’s legal debt capacity is approximately \$552.8 million. This capacity covers the debt that would be subject to property taxation.

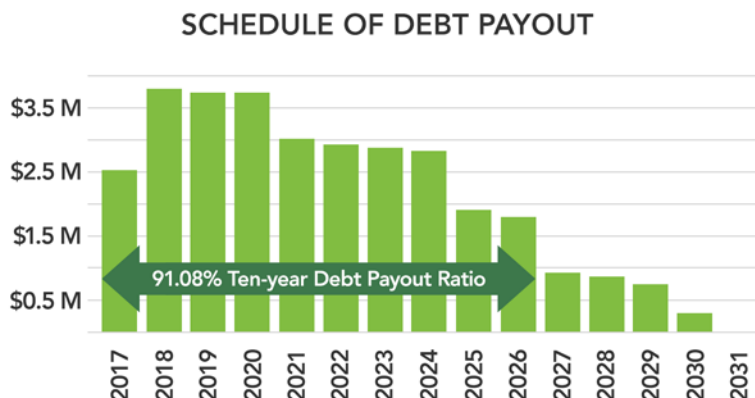
The following is a summary of the City’s outstanding debt as of June 30, 2020:



FY 2020 TOTAL OUTSTANDING DEBT

58% General Obligations	\$ 22,580,000
31% Installment Purchases	\$ 12,351,690
11% Special Revenue	\$ 4,295,000
Total Outstanding Debt	\$ 39,226,690

The City’s policy is to maintain a ten-year debt payout ratio of 60% or higher. Approximately 90% of the City’s current outstanding capital debt as of June 30, 2017 will be retired in the next 8 years as shown in the following graph:



GENERAL OBLIGATION BOND RATINGS

MOODY'S Aa2
(very strong)

S&P Global AA
(very strong)

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



GENERAL GOVERNMENT

Home to more than 93,400 people, the City of Greenville provides a multitude of services for residents, businesses, and visitors through its Police, Fire/Rescue, Public Works, Recreation and Parks, and Community Development Departments and a committed and knowledgeable staff in its internal departments and divisions.

More than 700 City employees played a part in the City's successes during Fiscal Year 2019–2020, and the City's commitment to inclusiveness and transparency in all areas of government is evident throughout the 37.19 square miles that make up Greenville.

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



Some additional highlights from FY 2020 include:

- More than 7,100 applications for employment were processed and reviewed; over 1,500 job interest cards were received by the Human Resources Department.
- The City's website (GreenvilleNC.gov) had 351,303 unique visitors and 1,305,374 total page views.
- More than 5,400 payments were processed by the Collections Division.
- More than \$22 million was awarded to the City through federal, state, and local grants.

PLANNING & DEVELOPMENT



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

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

Permits	FY 2018	FY 2019	FY 2020
Total permits issued	8,252	7,136	6,968
Total value new construction	\$ 156M	\$ 119M	\$ 298M
Inspections performed	17,263	14,429	14,202
Commercial plan reviews	228	238	305
Residential plan reviews	493	452	629

Community Revitalization*	FY 2018	FY 2019	FY 2020
Clearance & demolition	N/A	\$ 26,239	N/A
Downpayment assistance	\$ 20,000	\$ 109,255	\$ 31,750
Owner-occupied rehabilitation	\$ 474,312	\$ 611,700	\$ 989,015

*These numbers reflect actual expenditures for these categories in community revitalization during FY 2018, FY 2019, and FY 2020.







PUBLIC SAFETY

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

The Greenville Police Department is a nationally accredited law enforcement agency that provides a full range of high quality law enforcement services through a departmental philosophy of community-oriented policing. The department continuously implements 21st Century policing techniques and methods to protect and serve the expanding community with 200 sworn employees and more than 50 civilian employees in the various bureaus, divisions, and units.

Greenville Fire/Rescue is an internationally accredited department serving the community through fire suppression and emergency medical services. Mission: At Greenville Fire/Rescue, we are a team of compassionate professionals committed to serving the diverse needs of our community through high-quality and timely response to a full range of emergency services, outreach and prevention programs.



Greenville Police	FY 2018	FY 2019	FY 2020
Sworn Police Officers	201	205	200
Number of calls dispatched	56,349	51,364	41,453
Crimes against person	566	445	440
Crimes against property	3,073	2,743	2,891
Reportable crashes	4,754	4,548	4,273

Greenville Fire/Rescue	FY 2018	FY 2019	FY 2020
Full-time Fire/Rescue positions	161	170	173
Number of calls dispatched	17,154	18,407	17,557
Fire incidents	262	338	303
EMS incidents	14,724	15,212	14,448
Technical rescue incidents	33	36	44
Hazardous material incidents	82	94	109
Inspections completed	2,944	3,399	3,061

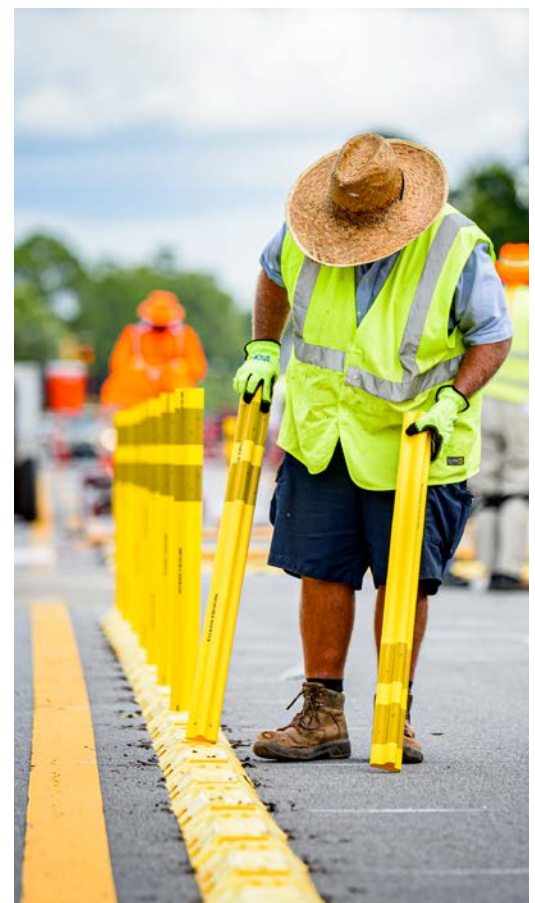
PUBLIC WORKS & ENGINEERING

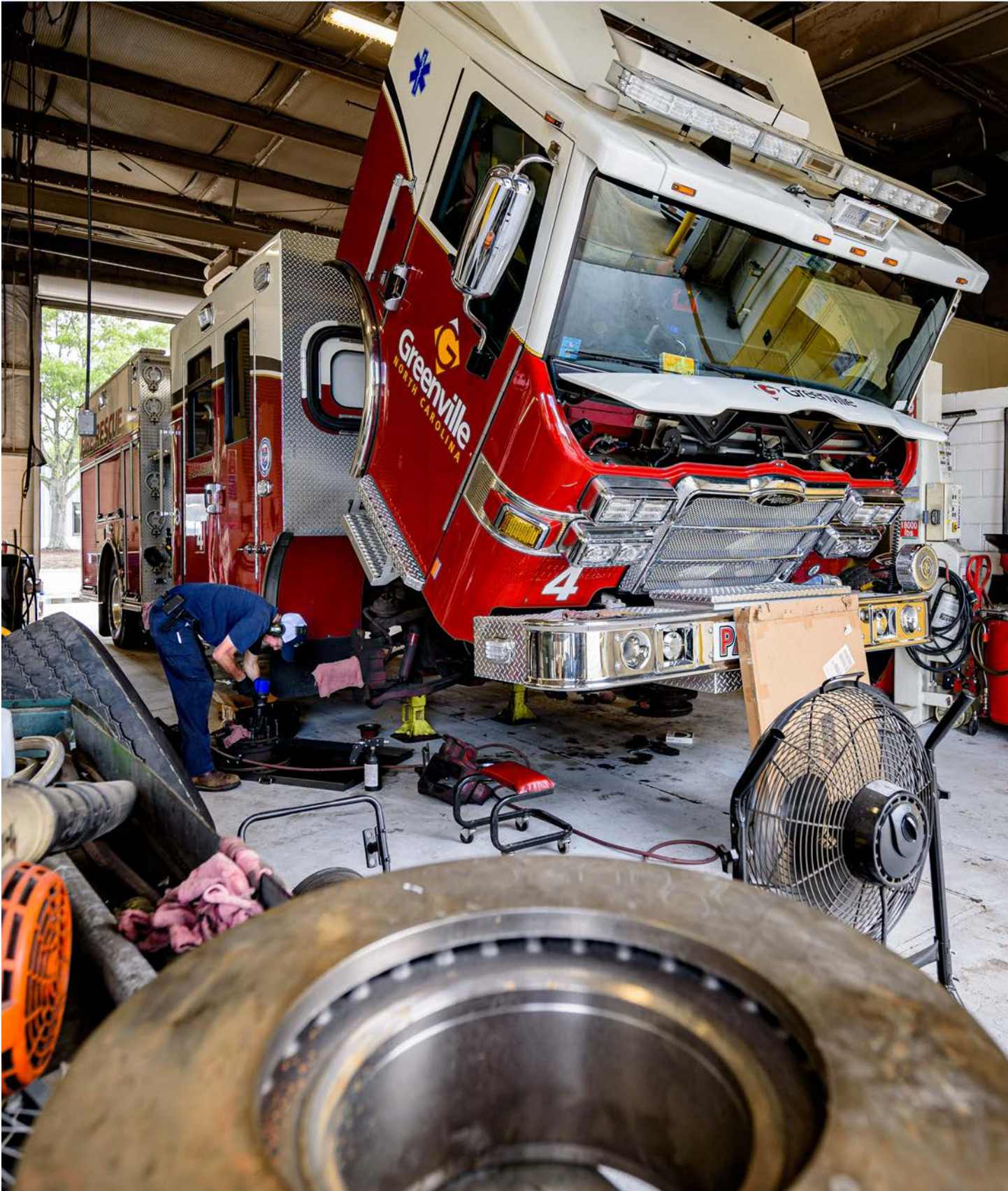
The Public Works Department is committed to providing our community with the highest level of customer service through a cost-effective, efficient, and environmentally responsible operation. The department aims to preserve and maintain the City’s infrastructure and natural resources for the benefit of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

Public Works is composed of the following divisions: Engineering, Street Maintenance, Greenville Area Transit (GREAT), Sanitation, Fleet Maintenance, Building & Grounds, and Administration. Through these divisions, the Public Works Department provides a host of services to our citizens. In addition to the many services provided directly to the citizens, Public Works develops and maintains the City’s Facility Improvement Program (FIP), Vehicle Replacement Fund (VRF), and various Capital projects. The department is dedicated to maintaining and enhancing the infrastructure and appearance of the city.

During the third quarter of 2019, a standalone Engineering Department was formed to more effectively meet the current and future infrastructure needs of the city. The Engineering Department manages traffic services, transportation planning, land development, stormwater management, capital projects, and asset management.

Refuse Collection	FY 2018	FY 2019	FY 2020
Weekly routes	20	20	20
Refuse collected (tons)	28,887	27,128	33,630
Recycling routes	20	20	20
Recyclables collected (tons)	4,176	3,992	2,822
Roadways			
Total paved lane miles maintained	685	720	716
Bridges maintained	10	10	10
Fleet Maintenance			
Work orders	5,751	5,752	5,556
Building & Grounds			
Trees planted	100	150	20
Stormwater			
Total miles of drainage pipe	242	246	222
Structures (basins, culverts, etc)	17,500	17,900	17,666







RECREATION & PARKS

The Recreation and Parks Department provides a variety of athletic, recreational, and arts and crafts activities for all ages and special populations. The department maintains 33 parks and recreational facilities, including numerous gymnasiums, recreation and community centers, swimming pools, tennis courts, a soccer complex, softball and baseball fields, playgrounds, a greenway, as well as the Town Common and Greenville Toyota Amphitheater, River Park North, Bradford Creek Public Golf Course, the Aquatics & Fitness Center, the Extreme Park, and River Birch Tennis Center.

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



Recreation & Parks	FY 2018	FY 2019	FY 2020
Parks and sites	27	32	33
Total park acres	1,467	1,467	1,589
Total Greenway Miles	9	9	10.5
Programs & camps offered	577	582	332
Total program participants	15,567	16,296	7452

City Maintained Recreational Facilities

Indoor and outdoor pools	2	2	2
Recreation centers	7	7	7
Outdoor basketball courts	1	1	1
Outdoor tennis courts	20	20	18
Playgrounds	18	19	19
Diamond fields	16	16	16
Rectangular fields	6	6	6
Other athletic fields	2	2	2
Picnic shelters	24	24	24
Golf courses	1	1	1



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