



2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal year ending June 30, 2021

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 SECTION





Find yourself in good company®

January 13, 2022

To the Honourable Mayor and Members of the City Council and the Residents of the City of Greenville, North Carolina:

State law requires that every general purpose local government publish, within four months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfil that requirement for the fiscal year ended June 30, 2021.

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, 2021. 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 report of the independent auditor 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 93,400.

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. ECU received national recognition in U.S. News & World Report’s 2017 Best Online Programs for their online graduate and bachelor programs announced on January 10, 2017. 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 Vidant Health Cancer Center, opened in 2018, 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 the 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.

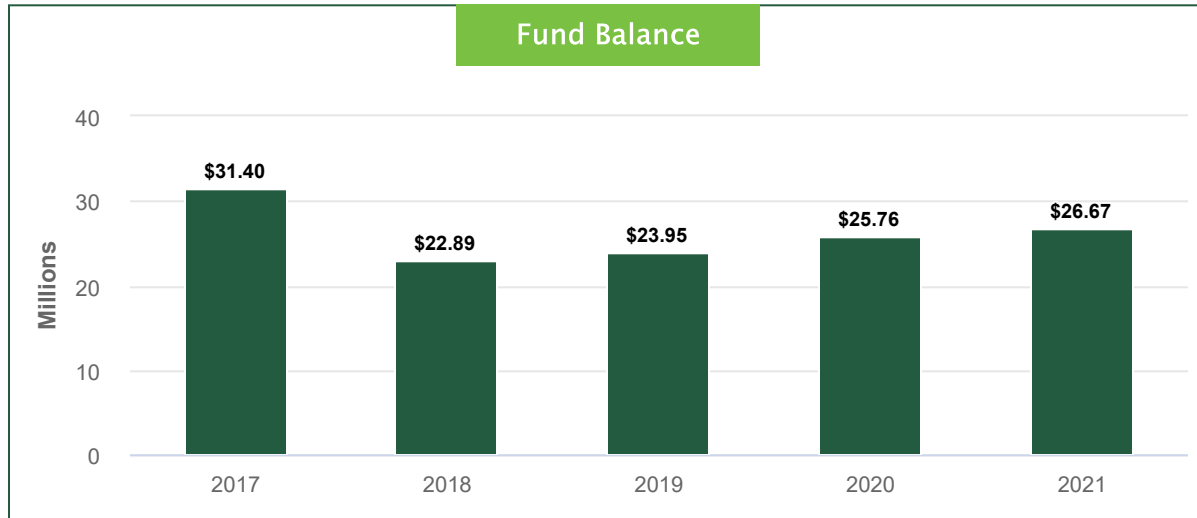
A majority of Greenville’s manufacturing is located inside the extra-territorial jurisdiction (ETJ), thereby providing stable employment for Greenville’s residents. However, much of this manufacturing is located outside the City’s limits, which does not provide the property tax base that would help Greenville 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
- Hyster-Yale: 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 2021 budget represented a 6.78% decrease from the FY 2020 total. This was the result of a continued focus on Council priorities during the budget process, while planning for the potential negative economic impacts of the COVID-19 pandemic. Revenue estimates were adjusted to account for these potential impacts, while still

working to provide a conservative representation of historical trends. These adjustments resulted in a continued focus on street maintenance funding and maintaining core public services in the midst of COVID-19. In FY 2021, \$24.6 million in Sales tax was collected, increasing 20% when compared to prior year, mainly impacted by the initial stages of the COVID-19 pandemic on the local economy in the previous fiscal year. Additionally, the FY 2021 property tax rate decreased 2.55 cents to \$0.4945 per \$100 of assessed valuation.



Based on revenues of \$89.0 million and expenses of \$88.1 million, the City's General Fund experienced a net increase in fund balance of \$0.9 million; thereby avoiding the use of the original appropriation for the year.

The City of Greenville maintains a healthy total fund balance of approximately \$26.7 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 \$33.6 million. Total City debt is \$241.3 million.

As of June 30, 2021, the City of Greenville maintained strong bond ratings with Moody's and Standard and Poor's of Aa2 and AA, respectively, which were reaffirmed during the fiscal year.

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.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirtieth 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 ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

The ACFR for the fiscal year ended June 30, 2021 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 and the Audit and Grant Compliance Division. 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 as we continue to provide a high level of public services at a reasonable tax rate. This ACFR reflects the City's commitment to the residents 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 cursive script that reads "Byron Hayes".

Byron Hayes, MBA, CLGFO
Financial Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

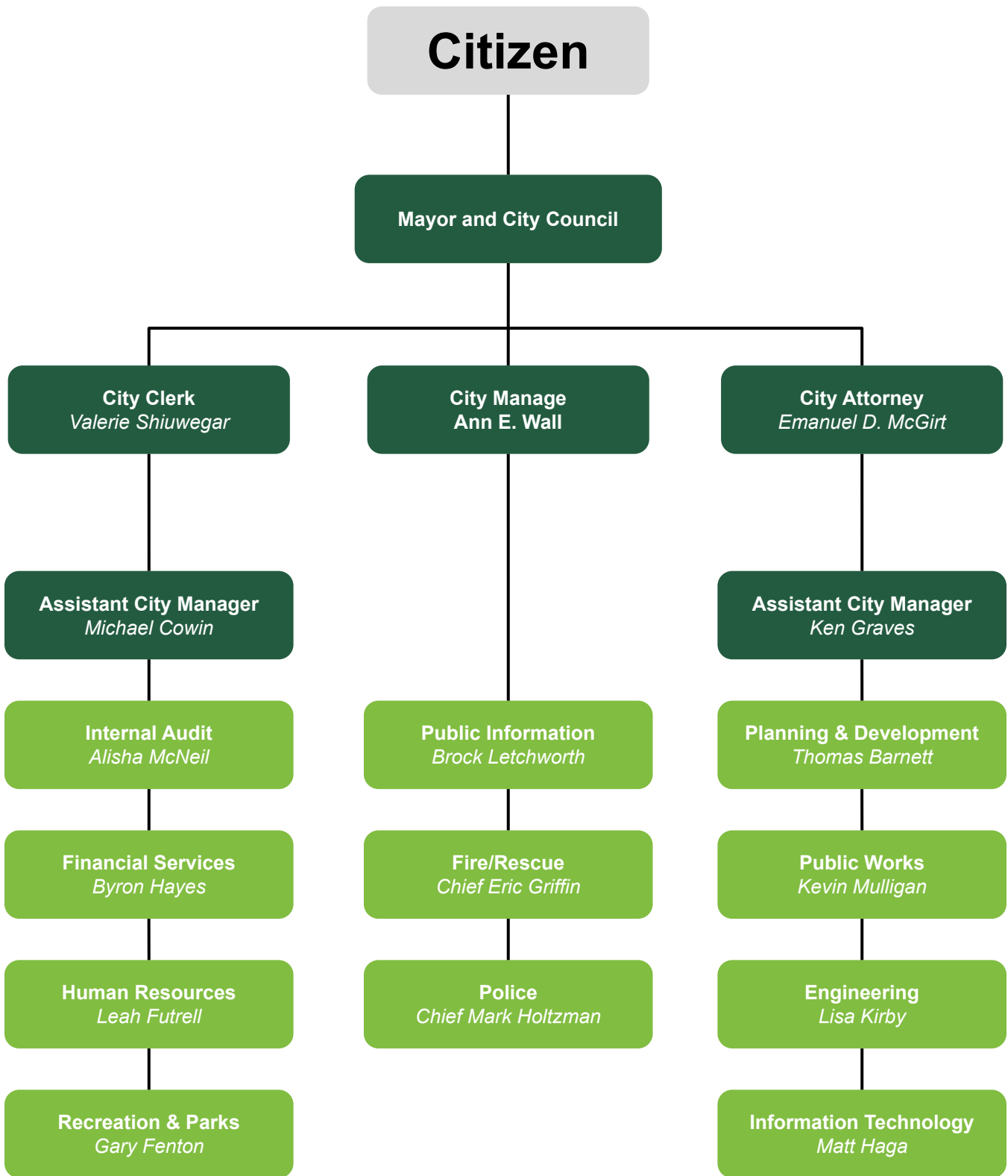
**City of Greenville
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

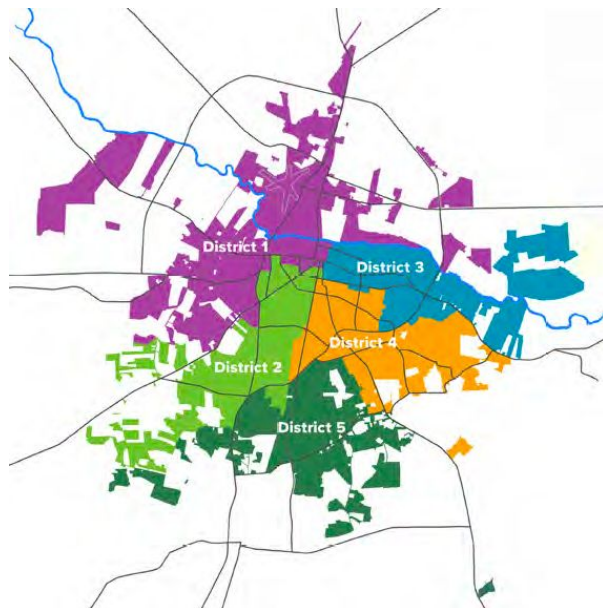




City Officials

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



Monica Daniels
District 1



Will Bell
District 3



Rick Smiley
District 4



William Litchfield
District 5



Brian Meyerhoeffer
At-Large





FINANCIAL SECTION



Report of Independent Auditor

To 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, 2021, 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 General 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 from 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 entity'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 entity'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, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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 introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and is also 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 the 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 introductory 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 January 13, 2022, 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 solely 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 effectiveness of the City's 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.

Cheryl Bekaert LLP

Raleigh, North Carolina
January 13, 2022

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 ending June 30, 2021. 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, 2021 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 \$642,425,776 (net position). Of this amount, \$98,366,154 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$19,552,063. The City's net position changed due to an increase of \$8,476,197 in Governmental Activities and an increase of \$11,075,866 in Business-type activities.
- The City of Greenville's governmental funds reported combined ending fund balances of \$47,607,376, an increase of \$3,350,004, in comparison with the prior year. Approximately 58.2% of the total fund balance, within the General Fund, or \$15,514,286, is available for spending at the government's discretion. Of this amount, 95.2% is considered unassigned fund balance. Approximately 41.8% of the total General Fund's fund balance amount, or \$11,160,121, is non-spendable, restricted, or committed.
- Unassigned fund balance for the General Fund was \$14,764,286, or 16.8% 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 increased by \$909,645, when compared to the prior year. Overall, the expenditures decreased 1.2% while revenues increased 4.3%. The decrease in expenditures was driven by a reduction in transfers to capital projects.
- 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 increase of \$7,343,921 million during the current fiscal year.
- In Fiscal Year 2022, the City will issue approximately \$6.6 and \$5 million in installment financing to construct a new fire station and various Recreation and Parks projects respectively. The Recreation and Parks projects include a new municipal swimming pool as well as capital upgrades to the Eppes Recreation Center.

In addition, the City recognized the following accomplishments:

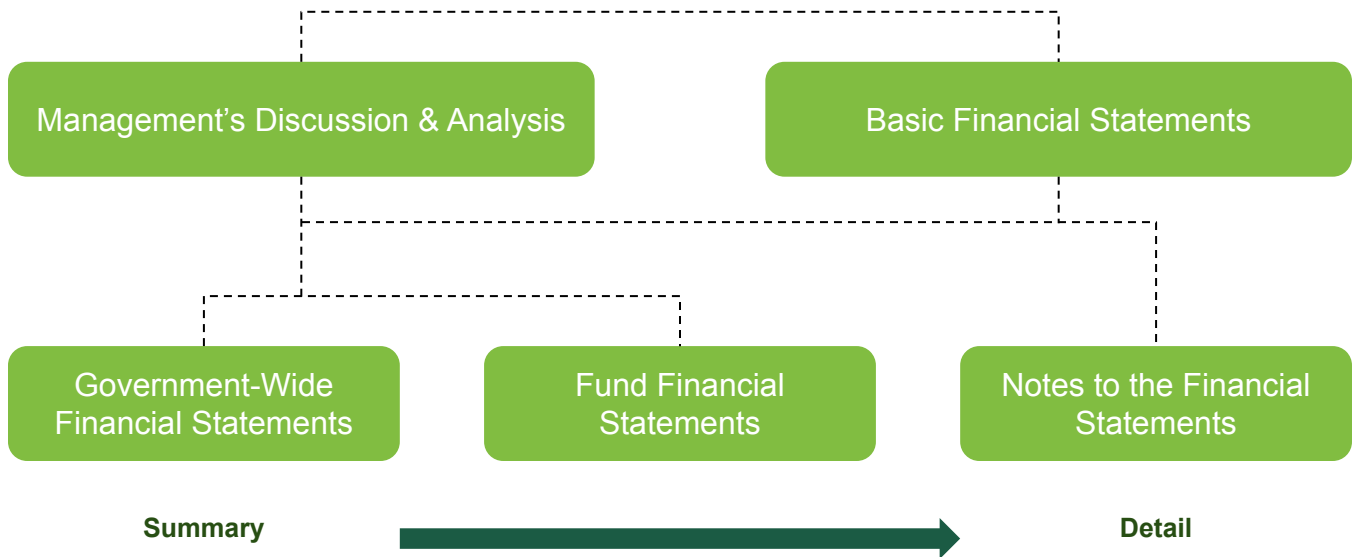
- For the 30th consecutive year, the GFOA of the United States and Canada has bestowed the highest form of recognition of governmental accounting and financial reporting, the Certificate of Achievement for Excellence in Financial Reporting, to the City of Greenville.

Overview Of The Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

sanitation services 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.

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.

Government-wide Financial Analysis

The following is a summary of net position as of June 30, 2021 (as shown in Exhibit A) with comparative data for June 30, 2020.

City of Greenville's Net position

Figure 2

	Government Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 70,452,067	\$ 62,167,574	\$ 214,534,685	\$ 222,851,587	\$ 284,986,752	\$ 285,019,161
Investment in joint venture	30,195,154	28,896,076	-	-	30,195,154	28,896,076
Capital assets, non-depreciable	72,640,778	68,282,869	46,610,635	95,614,133	119,251,413	163,897,002
Capital assets, net	147,126,981	145,921,242	472,196,328	387,889,491	619,323,309	533,810,733
Total Assets	320,414,980	305,267,761	733,341,648	706,355,211	1,053,756,628	1,011,622,972
Total Deferred outflows of resources	53,394,621	12,545,683	28,821,197	24,885,916	82,215,818	37,431,599
Long-term liabilities outstanding	153,232,621	104,662,020	256,363,470	257,886,370	409,596,091	362,548,390
Other liabilities	14,539,751	14,552,248	39,591,409	38,336,961	54,131,160	52,889,209
	167,772,372	119,214,267	295,954,879	296,223,331	463,727,251	415,437,599
Total Deferred inflows of resources	4,583,583	5,621,727	25,235,836	5,121,532	29,819,419	10,743,259
Net position:						
Investments in capital assets, net						
investment in capital assets	190,464,411	181,844,576	317,611,768	303,498,521	508,076,179	485,343,097
Restricted	35,983,443	23,482,162	-	-	35,983,443	23,482,162
Unrestricted	(24,994,208)	(12,349,289)	123,360,362	126,397,743	98,366,154	114,048,454
Total net position	\$ 201,453,646	\$ 192,977,449	\$ 440,972,130	\$ 429,896,264	\$ 642,425,776	\$ 622,873,713

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 \$642,425,776 (net position). The City's net position increased by \$19,552,063 for the fiscal year ended June 30, 2021, when compared to prior year. The largest portion (78%) 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, \$35,983,443, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$98,366,154 can be used to meet the City's ongoing obligations to citizens and creditors (unrestricted).

Several particular aspects of the City's financial operations positively influenced governmental net position:

- Continued Spending reductions during the initial stages of the COVID-19 pandemic.
- Increased revenues compared to initial COVID-19 related revenue reductions
- Property tax collection percentage of 99.8%.

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	
	2021	2020	2021	2020	2021	2020
Revenues						
Charges for services	\$ 10,354,562	\$ 8,128,368	\$ 275,138,065	\$ 266,167,539	\$ 285,492,627	\$ 274,295,907
Operating grants and contributions	7,804,239	4,905,153	2,288,331	1,563,374	10,092,570	6,468,527
Capital grants and contributions	7,826,007	10,347,775	2,845,636	6,785,591	10,671,643	17,133,366
General Revenues:						
Ad valorem taxes	38,663,871	35,976,479	-	-	38,663,871	35,976,479
Other taxes	32,324,297	28,625,401	-	-	32,324,297	28,625,401
Other	2,597,449	4,247,128	473,948	4,016,192	3,071,397	8,263,320
Total Revenues	99,570,425	92,230,304	280,745,980	278,532,696	380,316,405	370,763,000
Expenses						
General governmental	28,909,696	34,035,164	-	-	28,909,696	34,035,164
Public Safety	34,881,781	30,706,174	-	-	34,881,781	30,706,174
Transportation	13,512,470	7,162,225	-	-	13,512,470	7,162,225
Environmental protection	-	-	-	-	-	-
Cultural and recreation	10,373,714	10,194,254	-	-	10,373,714	10,194,254
Economic and physical development	8,782,643	9,058,084	-	-	8,782,643	9,058,084
Interest and fees	1,134,065	1,163,220	-	-	1,134,065	1,163,220
Electric	-	-	169,203,919	167,599,499	169,203,919	167,599,499
Water	-	-	23,914,634	20,723,956	23,914,634	20,723,956
Sewer	-	-	25,575,893	22,841,100	25,575,893	22,841,100
Gas	-	-	29,415,998	29,175,629	29,415,998	29,175,629
Public Transportation	-	-	2,966,023	3,062,814	2,966,023	3,062,814
Stormwater Utility	-	-	4,894,194	3,192,728	4,894,194	3,192,728
Sanitation	-	-	7,199,312	7,336,362	7,199,312	7,336,362
Total Expense	97,594,369	92,319,121	263,169,973	253,932,088	360,764,342	346,251,209
Increase (decrease) in net position before						
transfers	1,976,056	(88,817)	17,576,007	24,600,608	19,552,063	24,511,791
Transfers	6,500,141	6,114,175	(6,500,141)	(6,114,175)	-	-
Increase in net position	8,476,197	6,025,358	11,075,866	18,486,433	19,552,063	24,511,791
Net position, July 1	192,977,449	186,952,091	429,896,264	411,409,831	622,873,713	598,361,922
Net position, June 30	\$ 201,453,646	\$ 192,977,449	\$ 440,972,130	\$ 429,896,264	\$ 642,425,776	\$ 622,873,713

Governmental Activities: Governmental activities increased the City's net position by \$8,476,197. Of total net position, governmental activities accounted for \$201,453,646, or 31%. Key elements of this increase are as follows:

- Property tax remained stable for Fiscal Year 2021, increasing 3%. However, sales tax decreased 1% in Fiscal Year 2021. The sales tax decrease is related to the initial effects of the COVID-19 pandemic on the local economy, resulting in temporary retail and restaurant closures in the City.

Business-Type Activities:

- Of the \$642,425,776 total net position, the Greenville Utilities Commission has a net position of \$417,526,844, or 65% as of June 30, 2021. Of this amount, \$112,171,233 (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 45% of total Commission expenses for the fiscal year. Overall, business-type activities increased the City of Greenville's net position by \$11,075,866, of which the Commission contributes 78% of that change. Operating revenues for GUC increased by \$7,884,127 or 3.2% and total revenues increased by \$5,138,305 or 2.0%.
- Stormwater had revenues of \$6,131,625 for Fiscal Year 2021, an increase of 0%. Operating expenses increased 42.33%, due to the implementation of a new preventative maintenance plan for stormwater infrastructure. Overall, Stormwater net position decreased a total of \$2,210,280 for Fiscal Year 2021.

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 \$15,514,286, while total fund balance was \$26,674,407. 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 17.6% of total General Fund expenditures, while total fund balance represents 30.3% 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, 2021, the governmental funds of the City of Greenville reported a combined fund balance of \$47,607,376 which is a 7.6% increase from prior year.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on a monthly basis. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund budget increased revenues and other financing sources by \$14,519,298. When compared to the adjustments proposed last year, this is a 476% increase. The increase is due to the City amending initial conservative budget estimates mid-year for revenues that were not as severely impacted by the COVID-19 pandemic as initially anticipated, in addition to appropriating available fund balance and transferring additional funds for capital projects in FY 2021.

The General Fund's operational revenues exceeded expenditures by \$11,410,089 (before other financing sources). General Fund total revenues increased 4.3%. Operational expenditures decreased \$865,601, or less than 2%. Inclusive of other financing sources and uses. General Fund revenues exceeded expenditures by \$909,645 decreasing \$901,677 from FY 2020's net result.

While the budget amendments for the year amounted to approximately \$14,519,298, actual operating revenues remained within budget by less than 1%. Though they remained within budget in total, operational revenues were impacted by COVID-19, seeing taxes increase at a much lower rate than previous years, and sales and services negatively affected by decreased recreation fees received during the pandemic.

General Fund expenditures increased 3.6% in comparison to the prior year with most expenditure category variances being less than 5%. The increase was driven by an increase in transfers to capital project funds in the current fiscal year.

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 net investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$508,076,179 (net of accumulated depreciation and related debt). 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 - \$3,915,626
- Street Resurfacing - \$1,166,237
- BUILD Grant Street Infrastructure - \$2,240,917

Utilities Commission major capital asset events included:

- Investment in a new operations center totaling \$15,395,457
- Electric transmission lines extensions and improvements totaling \$1,355,169
- Electric transmission substation improvements totaling \$3,702,316
- Electric battery storage pilot program totaling \$896,580
- Electric peak shaving generators replacements totaling \$316,650
- Electric overhead distribution lines extensions and improvements totaling \$2,068,018
- Electric underground distribution lines extensions and improvements totaling \$4,844,953
- Electric street and area light installations and replacements totaling \$1,216,515
- Water treatment plant improvements totaling \$19,453,396
- Water mains and services improvements and extensions totaling \$1,073,954
- Wastewater treatment plant improvements totaling \$1,641,181
- Sewer pumping stations improvements totaling \$747,916
- Sewer main extensions and improvements totaling \$1,322,854
- Natural gas main improvements and extensions totaling \$1,052,125
- Natural gas distribution services improvements totaling \$391,089

City of Greenville’s Capital Assets

Figure 4

	Government Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 42,283,922	\$ 42,283,922	\$ 8,546,447	\$ 8,546,447	\$ 50,830,369	\$ 50,830,369
Right-of-Way Easement	13,555,817	12,560,317	640,937	584,662	14,196,754	13,144,979
Construction in Progress	16,801,038	13,438,631	37,423,253	86,483,024	54,224,291	99,921,655
Buildings/Plants	88,981,802	86,988,471	250,892,572	193,352,622	339,874,374	280,341,093
Other Improvements	8,891,941	8,791,941	3,781,930	3,562,298	12,673,871	12,354,239
Intangible	2,022,400	2,022,400	33,675,526	33,024,318	35,697,926	35,046,718
Infrastructure	114,594,660	110,288,662	44,812,619	13,302,116	159,407,279	123,590,778
Machinery and Equipment	21,820,568	21,738,364	5,343,744	4,977,490	27,164,312	26,715,854
Land Rights	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-
Vehicles and Equipment	41,791,836	39,415,080	39,505,046	37,396,551	81,296,882	76,811,631
Distribution Systems	-	-	509,155,671	491,117,517	509,155,671	491,117,517
Transmission Systems	-	-	46,996,455	46,944,592	46,996,455	46,944,592
Subtotal	350,743,984	337,527,788	980,774,200	919,291,637	1,331,518,184	1,256,819,425
Accumulated Depreciation	(130,976,225)	(123,323,677)	(461,967,236)	(435,788,013)	(592,943,461)	(559,111,690)
Capital assets, net	<u>\$ 219,767,759</u>	<u>\$ 214,204,111</u>	<u>\$ 518,806,964</u>	<u>\$ 483,503,624</u>	<u>\$ 738,574,723</u>	<u>\$ 697,707,735</u>

Long-Term Debt: As of June 30, 2021, the City of Greenville had total debt outstanding of \$240,048,560 excluding compensated absences, Local Governmental Employees' Retirement System (LGERS), Other Post-Employment Benefits (OPEB), and Law Enforcement Officers' (LEO) Separation Allowance. Of this, \$32,295,029 is government debt 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's Outstanding Debt General Obligation and Revenue Bonds

Figure 5

	Government Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 18,676,100	\$ 20,206,401	\$ 1,988,899	\$ 2,373,599	\$ 20,664,999	\$ 22,580,000
Special Obligation (Revenue) Bonds	3,680,000	4,295,000	154,410,797	129,132,468	158,090,797	133,427,468
Installment Purchase Contracts	9,938,929	12,028,079	172,856	330,003	10,111,785	12,358,082
Other Debt (GUC)	-	-	51,180,979	63,040,511	51,180,979	63,040,511
Total	\$ 32,295,029	\$ 37,885,763	\$ 207,753,531	\$ 194,876,581	\$ 240,048,560	\$ 231,406,061

- 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 increased by \$7,343,921 during the current fiscal year. The City's total debt, excluding GUC, increased by \$63,724,499 during the current fiscal year.
- As of June 30, 2021 the City reaffirmed 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 unit's boundaries. The legal debt margin for the City of Greenville is approximately \$531M.

Economic Factors And Next Year's Budgets And Rates

Budgeting for fiscal year 2022 continues to be impacted by the effects of COVID-19. The City has grown from a population of 84,554 in 2010 to 93,400, which represents an increase of 10.5%.

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. Although staff is seeing some revenues impacted by the effects of the pandemic, the budget targeted reductions to minimize interruptions in service levels, while still providing key capital project funding to move the City forward.

The City continues to face challenges posed by the economy, declining State support for City services, limited revenue enhancements, and most recently, the effects of the COVID-19 pandemic. For FY 2022, the budget process continued to focus on revenue projections and remaining departmental budget appropriations at the close of the fiscal year. Revenues for FY 2022 mainly returned to pre-pandemic levels, while some program fees continued to anticipate revenue shortfalls as a result of the pandemic. In addition, the property tax rate was reduced to \$0.4895, resulting in property tax revenues anticipated to generate \$36,938,258, roughly 41% of the total General Fund revenues. Sales tax revenues are projected to decrease 7% from the FY 2021 collections due to continued uncertainty and volatility surrounding the COVID-19 pandemic.

The Utilities Commission service area includes a diverse local economy including a solid manufacturing base, the 3rd largest university in the state and a 974 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 2022 budget is \$6,700,000.

Budget Highlights For The Fiscal Year Ending June 30, 2022

Governmental Activities: The General Fund is the City's primary general government operating fund and is budgeted at \$89,677,021 for FY 2022, an 11% increase when compared to the prior year's adopted amount of \$81,014,084. This budget continues the commitment to an increased investment in city infrastructure, community revitalization, economic development, and public safety. Management will continue to take a cautious approach to the FY 2022 budget, with the following considerations/strategies as follows:

- Continued emphasis on capital investments and infrastructure improvements
- Strategically reducing expenditures in areas that minimize the impact on core public services
- Continued monitoring of the effects of COVID-19 on city services and operations.

Below is a forecast for major sources of the City's General Fund revenues. The following sources make up approximately 75% of the revenue stream:

■ Property Taxes

- Pitt County completed a property revaluation in January 2021 to revalue all property to its respective market value. For Tax Year 2021-2022, the assessed value for the City of Greenville is estimated at approximately \$7,591,216,529. For Tax Year 2020-2021, the City of Greenville's assessed value was \$7,821,515,268. This represents an increase in value of \$841,511,827, or 10.2%, over the four-year period, accounting for normal growth. The adopted budget for FY 2022 is anticipated to produce total property tax revenues of \$36,938,258, or 41% of the total General Fund, at the tax rate of 48.95¢, a reduction of 0.50¢. For FY 2022, each 1¢ of the tax rate is anticipated to generate \$754,612.

■ Sales Tax

- This revenue source is projected to generate 26% of total General Fund revenues in FY 2022. Improvements in the economy and local construction have traditionally been the driving forces behind the steady increase in sales tax revenues. A 25% reduction in sales tax was projected in FY 2021 due to the uncertainty surrounding the effects of the pandemic on the economy. However, due to a sustained period of positive collections, the projection was revised to more accurately reflect anticipated collections from the year. For the FY 2022 budget, sales tax revenues are projected to be closer to pre-pandemic levels at \$22,913,854, a roughly 40% decrease from the FY 2021 original budget. COVID-19 Sales Tax is historically difficult to project because it is a State-collected and distributed revenue. Staff will continue to monitor this revenue source throughout the first-half of the fiscal year, and adjust appropriations as each additional month of receipts are received.

■ 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 \$6,700,000, a 4.5% decrease from the budgeted amount in the previous year.

■ Appropriated Fund Balance

- The final revenue source that should be noted is appropriated fund balance. The FY 2022 budget includes \$750,000 appropriated within the General Fund.

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

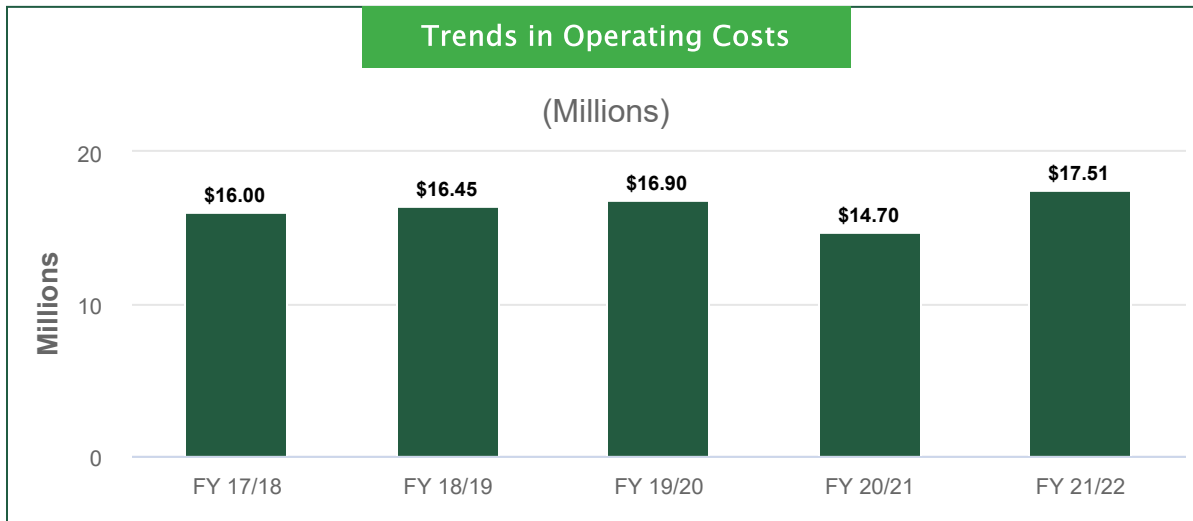
■ Personnel

In the adopted FY 2022 budget, personnel costs (including salaries and fringe benefits) make up 65.3% of the total budget. The personnel budget for FY 2022 is \$58.5 million, a \$3,733,859 increase compared to FY 2021. This increase was a result of 2.7% merit/market increases for employees, as well as a retroactive pay increase for all employees in FY 2021 to account for the restoration of COVID-related revenue reductions in the budget.

Reductions in part-time and overtime salaries were also partially restored, with the remaining reductions due to continued operational changes related to COVID-19.

■ **Operations**

This category makes up 19.5% of the total budget and represents an increase of 18.25% from FY 2021 due to reductions made as a result of COVID-19. For FY 2022, Operating Costs are budgeted at \$17,513,693.



Business-Type Activities: The Utilities Commission service area includes a diverse local economy including a solid manufacturing base, the 3rd largest university in the state and a 974 licensed bed teaching hospital that serves more than 1.4 million people in 29 counties of Eastern North Carolina. The Utilities Commission provides services in the Greenville metropolitan statistical area, including Greenville, the 11th largest city in North Carolina. The Utilities Commission serves approximately 75% of the county and the service area continues to expand. New customer accounts added during the year were more than forty percent higher than new accounts added the previous year reflecting new construction and growth in the local economy. The Utilities Commission’s budget for fiscal year 2022 was developed anticipating continuing customer growth, a vibrant 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 Utilities Commission’s vision to provide safe, innovative, and sustainable utility solutions that serve as the foundation of growth for the Greenville region.

The pandemic has been and continues to be a major economic impact for the Utilities Commission. The hospitality industry has been particularly hard hit by COVID-19 and many restaurants and various service providers have curtailed or ceased operations. Revenues however have remained steady due to the diversity and strength of the customer base. Collections of accounts receivable have been higher than anticipated. Approximately 10% of customers have delayed payments due to restrictions on service curtailments and some aging of accounts has occurred. The Utilities Commission expects to collect most of the receivables in the upcoming year. The Utilities Commission has continued capital improvement and expansion plans and expect that economic conditions will improve with some growth in the new fiscal year.

- Annual turnover or transfer of \$6,545,431 to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly
- **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. FY 2022 will see the continued implementation of increased preventative maintenance of stormwater infrastructure, and further planning for increased capital project and infrastructure spending. While continuing the implementation of the Watershed Master Plan, the Stormwater Utility is also entering the second year of a preventative maintenance program, seeing a \$1 per ERU rate increase in FY 2021 to account for the rising cost in capital infrastructure. The stormwater utility fees are projected to generate revenues of \$7,374,199.

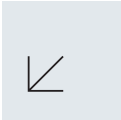
Activity from the nonmajor Business-Type Activities includes the following:

■ **Public Transportation Fund**

The Public Transportation Fund is an enterprise fund established to operate the Greenville Area Transit System. The majority of revenues for this fund are generated by federal grant income requiring a local match. For FY 2022, the City will continue with fully reimbursable funding through the CARES Act to maintain Transit operations. Although there have been slight modifications to service and procedures to enhance the safety of the public and bus drivers as a result of COVID-19, transit operations remain largely unchanged. The total budget amount for the fund is \$3,264,114, a slight reduction from \$3,230,676 million in FY 2021.

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

Statement of Net Position

Exhibit A

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 44,668,452	\$ 159,038,191	\$ 203,706,643
Taxes receivable, net	246,807	-	246,807
Accounts receivable, net	4,590,127	29,706,658	34,296,785
Interest receivable	8	-	8
Due from other governments	4,894,381	2,086,261	6,980,642
Inventories	2,791	9,731,504	9,734,295
Prepaid items	339,568	454,583	794,151
Internal balances	688,196	(688,196)	-
Restricted cash and investments	15,021,737	14,023,585	29,045,322
Notes receivable	-	182,099	182,099
Investment in joint venture	30,195,154	-	30,195,154
Capital assets:			
Non-depreciable	72,640,778	46,610,635	119,251,413
Depreciable, net	147,126,981	472,196,328	619,323,309
Total assets	<u>320,414,980</u>	<u>733,341,648</u>	<u>1,053,756,628</u>
Deferred Outflows of Resources:			
Pension deferrals	14,306,082	9,799,754	24,105,836
OPEB deferrals	38,693,155	17,793,952	56,487,107
Unamortized bond refunding charges	395,384	1,227,491	1,622,875
Total deferred outflows of resources	<u>53,394,621</u>	<u>28,821,197</u>	<u>82,215,818</u>
Liabilities:			
Accounts payable and accrued liabilities	6,129,550	20,564,093	26,693,643
Accrued interest payable	104,355	1,689,349	1,793,704
Other liabilities	197,248	-	197,248
Advances from grantors	198,714	-	198,714
Unearned revenue	-	28,680	28,680
Liabilities payable from restricted assets:			
Accounts payable and accrued liabilities	1,029,047	-	1,029,047
Customer deposits	-	6,457,672	6,457,672
Long-term liabilities:			
Due within one year	6,880,837	10,851,615	17,732,452
Due in more than one year	153,232,621	256,363,470	409,596,091
Total liabilities	<u>167,772,372</u>	<u>295,954,879</u>	<u>463,727,251</u>
Deferred Inflows of Resources:			
Pension deferrals	616,528	156,791	773,319
OPEB deferrals	3,967,054	25,079,045	29,046,099
Total deferred inflows of resources	<u>4,583,583</u>	<u>25,235,836</u>	<u>29,819,419</u>
Net Position:			
Net investment in capital assets	190,464,411	317,611,768	508,076,179
Restricted for:			
Stabilization by State statute	22,079,088	-	22,079,088
Restricted for streets	1,873,126	-	1,873,126
General government	87,470	-	87,470
Economic development	365,431	-	365,431
Public safety	472,040	-	472,040
Cultural and recreational	3,412,392	-	3,412,392
Donations	254,175	-	254,175
Insurance	7,439,721	-	7,439,721
Unrestricted	(24,994,208)	123,360,362	98,366,154
Total net position	<u>\$ 201,453,646</u>	<u>\$ 440,972,130</u>	<u>\$ 642,425,776</u>

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

Statement of Activities
Year Ended June 30, 2021

Exhibit B

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	\$ 28,909,696	\$ 3,644,509	\$ 136,958	\$ -	\$ (25,128,229)	\$ -	\$ (25,128,229)
Public safety	34,881,781	4,871,968	188,887	-	(29,820,926)	-	(29,820,926)
Transportation	13,512,470	90,503	-	2,124,843	(11,297,124)	-	(11,297,124)
Cultural and recreational	10,373,714	1,747,582	1,032,621	4,417,029	(3,176,482)	-	(3,176,482)
Economic and physical development	8,782,643	-	-	-	-	-	-
Interest and fees	1,134,065	-	-	-	(1,134,065)	-	(1,134,065)
Total governmental activities	97,594,369	10,354,562	7,804,239	7,826,007	(71,609,561)	-	(71,609,561)
Business-Type Activities:							
Electric	169,203,919	178,146,831	-	93,750	-	9,036,662	9,036,662
Water	23,914,634	23,915,549	-	637,195	-	638,110	638,110
Sewer	25,575,893	25,000,274	-	1,395,185	-	819,566	819,566
Gas	29,415,998	33,543,484	-	-	-	4,127,486	4,127,486
Public transportation	2,966,023	62,106	2,288,331	-	-	(615,586)	(615,586)
Bradford Creek Golf Course	-	-	-	-	-	-	-
Stormwater utility	4,894,194	6,131,625	-	719,506	-	1,956,937	1,956,937
Sanitation	7,199,312	8,338,196	-	-	-	1,138,884	1,138,884
Total business-type activities	263,169,973	275,138,065	2,288,331	2,845,636	-	17,102,059	17,102,059
Total primary government	\$ 360,764,342	\$ 285,492,627	\$ 10,092,570	\$ 10,671,643	(71,609,561)	17,102,059	(54,507,502)
General Revenues:							
Ad valorem taxes					38,663,871	-	38,663,871
Sales and use taxes					19,176,322	-	19,176,322
Cable TV franchise tax					763,093	-	763,093
Medicaid hold harmless payment					5,379,547	-	5,379,547
Rental vehicle, gross receipts					207,687	-	207,687
Utilities franchise tax					6,612,710	-	6,612,710
Beer and wine tax					392,625	-	392,625
Other taxes and licenses					962,353	-	962,353
Investment earnings					1,427,409	473,948	1,901,357
Total general revenues					73,585,617	473,948	74,059,565
Transfers					6,500,141	(6,500,141)	-
Total general revenues and transfers					80,085,758	(6,026,193)	74,059,565
Change in net position					8,476,197	11,075,866	19,552,063
Net position, beginning of year					192,977,449	429,896,264	622,873,713
Net position, end of year					\$ 201,453,646	\$ 440,972,130	\$ 642,425,776

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

Governmental Funds Balance Sheet

June 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 22,774,901	\$ 15,498,582	\$ 38,273,483
Taxes receivable, net	246,807	-	246,807
Accounts receivable, net	2,155,312	2,363,398	4,518,710
Interest receivable	-	8	8
Due from other funds	2,497,995	-	2,497,995
Due from other governments	4,845,022	48,359	4,893,381
Inventories	2,791	-	2,791
Prepaid items	38,750	86,686	125,436
Restricted cash and investments	1,125,286	6,456,730	7,582,016
Total assets	\$ 33,686,864	\$ 24,453,763	\$ 58,140,627
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,334,791	\$ 765,920	\$ 4,100,711
Due to other funds	-	1,240,029	1,240,029
Advances from grantors	-	198,714	198,714
Other liabilities	197,248	-	197,248
Restricted accounts payable and accrued liabilities	-	1,029,047	1,029,047
Total liabilities	3,532,039	3,233,710	6,765,749
Deferred Inflows of Resources:			
Property taxes receivable	283,613	-	283,613
Other receivables	3,196,805	287,084	3,483,889
Total deferred inflows of resources	3,480,418	287,084	3,767,502
Fund Balances:			
Nonspendable:			
Prepaid items and inventories	41,541	86,686	128,227
Loans receivable	14,700	-	14,700
Restricted:			
Stabilization by State statute	8,313,714	13,765,374	22,079,088
Restricted for general government	87,470	-	87,470
Restricted for streets	76,486	1,796,640	1,873,126
Restricted for public safety	335,839	136,201	472,040
Restricted for economic development	-	365,431	365,431
Restricted for culture and recreation	-	3,412,392	3,412,392
Restricted for donations	-	254,175	254,175
Restricted for loans receivable	-	301,795	301,795
Committed:			
Committed for catastrophic losses	2,290,371	-	2,290,371
Committed for general government	-	609,519	609,519
Committed for cultural and recreational	-	148,365	148,365
Committed for public safety	-	270,766	270,766
Committed for economic development	-	1,497,375	1,497,375
Committed for capital outlays	-	4,501,695	4,501,695
Assigned:			
Assigned for subsequent year's expenditures	750,000	8,095	758,095
Assigned for cultural and recreational	-	1,018,950	1,018,950
Unassigned	14,764,286	(7,240,490)	7,523,796
Total fund balance	26,674,407	20,932,969	47,607,376
Total liabilities, deferred inflows of resources, and fund balances	\$ 33,686,864	\$ 24,453,763	\$ 58,140,627

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

Governmental Funds
Balance Sheet
June 30, 2021

Exhibit C

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

Ending fund balance - governmental funds	\$ 47,607,376
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	204,148,162
Investment in joint venture reported in governmental activities is not reported in the funds.	30,195,154
Net LGERS pension liability is not reported in the funds.	(20,527,480)
Deferred outflows of resources related to pensions are not reported in the funds	14,120,058
Deferred outflows of resources related to OPEB are not reported in the funds	37,586,182
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred outflows of resources.	3,767,502
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.	25,265,612
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(37,615,251)
Total LEOSSA Pension Liabilities	(11,329,670)
Net OPEB Liability	(87,594,526)
Deferred inflows of resources related to pensions are not reported in the funds.	(606,942)
Deferred inflows of resources related to OPEB are not reported in the funds.	(3,853,560)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	395,384
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	(104,355)
Net position of governmental activities	<u>\$ 201,453,646</u>

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

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 38,707,498	\$ -	\$ 38,707,498
Other taxes	25,526,649	893,595	26,420,244
Unrestricted intergovernmental	7,074,093	-	7,074,093
Restricted intergovernmental	2,729,348	6,745,116	9,474,464
Licenses, permits, and fees	4,244,572	1,566,054	5,810,626
Sales and services	3,754,841	-	3,754,841
Investment earnings	115,082	13,249	128,331
Other revenues	320,301	1,176,315	1,496,616
Restricted other revenues	-	1,500	1,500
Total revenues	<u>82,472,384</u>	<u>10,395,829</u>	<u>92,868,213</u>
Expenditures:			
Current:			
General government	11,815,653	335,589	12,151,242
Public safety	39,755,215	2,047,874	41,803,089
Public works	10,128,832	2,517,023	12,645,855
Cultural and recreational	6,541,020	5,836,317	12,377,337
Economic and physical development	2,821,575	6,333,961	9,155,536
Debt Service:			
Principal retirement	-	4,341,468	4,341,468
Interest and fees	-	1,078,330	1,078,330
Total expenditures	<u>71,062,295</u>	<u>22,490,562</u>	<u>93,552,857</u>
Revenues over (under) expenditures	<u>11,410,089</u>	<u>(12,094,733)</u>	<u>(684,644)</u>
Other Financing Sources (Uses):			
Transfers from other funds	6,565,310	24,103,405	30,668,715
Transfers to other funds	(17,065,754)	(9,568,313)	(26,634,067)
Total other financing sources (uses)	<u>(10,500,444)</u>	<u>14,535,092</u>	<u>4,034,648</u>
Net change in fund balance	909,645	2,440,359	3,350,004
Fund Balance:			
Fund balance, beginning of year – July 1	<u>25,764,762</u>	<u>18,492,610</u>	<u>44,257,372</u>
Fund balance, end of year – June 30	<u>\$ 26,674,407</u>	<u>\$ 20,932,969</u>	<u>\$ 47,607,376</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, 2021

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	\$ 3,350,004
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.	9,074,752
Other capital contributions are not reported in the governmental fund statement.	4,417,029
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(6,203,860)
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.	(7,508)
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	(633,539)
Pension expense	(6,264,868)
OPEB plan expense	(10,193,003)
Employer contributions	3,088,604
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,850,651
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.	273,196
Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds statement. However, in the Statement of Activities, it is an increase in liabilities.	(1,645,000)
Proceeds from bond premium	-
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.	9,967
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.	5,879,451
Loss on disposal of capital assets is reported in the Statement of Activities but not the funds statement.	(106,069)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	(120,059)
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.	1,299,078
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>3,407,371</u>
Changes in net position of governmental activities	<u>\$ 8,476,197</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 Balances - Budget and Actual
Year Ended June 30, 2021

	General Fund			
	Budget		Actual Amounts	Variance Positive/ Negative
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 37,154,992	\$ 38,179,992	\$ 38,707,498	\$ 527,506
Other taxes	17,393,806	24,148,203	25,526,649	1,378,446
Unrestricted intergovernmental	7,468,819	7,468,819	7,074,093	(394,726)
Restricted intergovernmental	2,814,379	3,338,222	2,729,348	(608,874)
Licenses, permits, and fees	3,039,202	3,292,088	4,244,572	952,484
Sales and services	4,393,644	4,393,644	3,754,841	(638,803)
Investment earnings	445,000	445,000	115,082	(329,918)
Other revenues	753,451	889,439	320,301	(569,138)
Total revenues	<u>73,463,293</u>	<u>82,155,407</u>	<u>82,472,384</u>	<u>316,977</u>
Expenditures:				
Current:				
General government	11,617,060	12,753,332	11,815,653	937,679
Public safety	38,469,323	42,113,246	39,755,215	2,358,031
Public works	10,874,594	12,770,960	10,128,832	2,642,128
Cultural and recreational	6,497,083	7,223,702	6,541,020	682,682
Economic and physical development	3,305,443	3,261,379	2,821,575	439,804
Total expenditures	<u>70,763,503</u>	<u>78,122,619</u>	<u>71,062,295</u>	<u>7,060,324</u>
Revenues over (under) expenditures	<u>2,699,790</u>	<u>4,032,788</u>	<u>11,410,089</u>	<u>7,377,301</u>
Other Financing Sources (Uses):				
Transfers from other funds	6,428,989	6,428,989	6,565,310	136,321
Transfers to other funds	(10,134,437)	(17,065,754)	(17,065,754)	-
Contingency	(112,342)	(340,207)	-	340,207
Appropriated fund balance	1,118,000	6,944,184	-	(6,944,184)
Total other financing sources (uses)	<u>(2,699,790)</u>	<u>(4,032,788)</u>	<u>(10,500,444)</u>	<u>(6,467,656)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	909,645	<u>\$ 909,645</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>25,764,762</u>	
Fund balance, end of year – June 30			<u>\$ 26,674,407</u>	

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

Proprietary Funds
Statement of Fund Net Position
June 30, 2021

	Major Enterprise Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Stormwater Fund
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 50,641,660	\$ 9,342,241	\$ 14,143,510	\$ 19,530,442	\$ 7,029,098
Accounts receivable, net	17,523,224	2,369,527	2,546,872	1,882,442	3,774,532
Due from other governments	1,171,011	427,431	279,933	207,006	-
Due from other funds	-	-	-	-	-
Inventories	7,528,903	1,030,317	256,655	915,629	-
Restricted cash	3,576,347	1,565,908	825,511	489,906	-
Prepaid items	329,341	27,037	39,426	46,429	-
Total current assets	80,770,486	14,762,461	18,091,907	23,071,854	10,803,630
Noncurrent Assets:					
Cash and cash equivalents, restricted	32,153	4,285,378	3,060,186	188,196	-
Investments	29,462,748	5,928,260	8,135,225	10,880,453	-
Notes receivable	-	182,099	-	-	-
Land improvements and construction in progress	10,238,853	27,234,853	5,430,772	2,569,668	1,136,489
Other capital assets, net	141,327,934	88,252,861	149,872,222	48,526,354	42,475,107
Total noncurrent assets	181,061,688	125,883,451	166,498,405	62,164,671	43,611,596
Total assets	261,832,174	140,645,912	184,590,312	85,236,525	54,415,226
Deferred Outflows of Resources:					
Pension deferrals	3,586,078	1,924,237	1,836,772	1,399,446	319,077
OPEB deferrals	5,770,484	3,096,358	2,955,615	2,251,896	1,128,179
Unamortized bond refunding charges	242,573	461,769	436,538	32,988	53,623
Total deferred outflows of resources	9,599,135	5,482,364	5,228,925	3,684,330	1,500,879
Liabilities:					
Current Liabilities:					
Accounts payable and accrued expenses	15,057,513	2,612,600	935,380	1,586,276	21,598
Accrued interest payable	766,706	286,034	408,360	228,249	-
Due to other funds	86,334	8,626	6,909	2,224	-
Unearned revenue	-	18,600	10,080	-	-
Current portion of compensated absences	661,979	320,742	292,225	262,402	-
Current maturities of long-term debt	2,005,166	1,313,591	2,906,481	794,034	2,015,708
Liabilities Payable from Restricted Assets:					
Customer deposits	3,576,347	1,565,908	825,511	489,906	-
Total current liabilities	22,154,045	6,126,101	5,384,946	3,363,091	2,037,306
Noncurrent Liabilities:					
Compensated absences payable	575,502	308,154	288,631	299,552	-
Net pension liability	6,444,994	3,458,290	3,301,095	2,515,121	604,433
Net OPEB liability	13,180,538	7,072,485	6,751,008	5,143,625	2,629,220
Noncurrent portion of long-term debt	59,867,943	41,409,541	47,407,213	18,898,644	28,647,013
Total noncurrent liabilities	80,068,977	52,248,470	57,747,947	26,856,942	31,880,666
Total liabilities	102,223,022	58,374,571	63,132,893	30,220,033	33,917,972
Deferred Inflows of Resources:					
Pension deferrals	51,097	27,417	26,171	19,940	9,745
OPEB deferrals	10,126,053	5,433,491	5,186,514	3,951,631	115,668
Total deferred inflows of resources	10,177,150	5,460,908	5,212,685	3,971,571	125,413
Net Position:					
Net investment in capital assets	89,968,404	76,445,407	107,317,272	31,624,528	12,948,875
Restricted for Insurance	-	-	-	-	-
Unrestricted	69,062,733	5,847,390	14,156,387	23,104,723	8,923,845
Total net position	\$ 159,031,137	\$ 82,292,797	\$ 121,473,659	\$ 54,729,251	\$ 21,872,720

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

Proprietary Funds
Statement of Fund Net Position
June 30, 2021

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 3,944,554	\$ 104,631,505	\$ 6,394,969
Accounts receivable, net	1,610,061	29,706,658	71,417
Due from other governments	880	2,086,261	1,000
Due from other funds	-	-	42,755
Inventories	-	9,731,504	-
Restricted cash	-	6,457,672	7,439,721
Prepaid items	12,350	454,583	214,132
Total current assets	5,567,845	153,068,183	14,163,994
Noncurrent Assets:			
Cash and cash equivalents, restricted	-	7,565,913	-
Investments	-	54,406,686	-
Notes receivable	-	182,099	-
Land improvements and construction in progress	-	46,610,635	190,096
Other capital assets, net	1,741,850	472,196,328	15,429,501
Total noncurrent assets	1,741,850	580,961,661	15,619,597
Total assets	7,309,695	734,029,844	29,783,591
Deferred Outflows of Resources:			
Pension deferrals	734,144	9,799,754	313,881
OPEB deferrals	2,591,420	17,793,952	1,106,973
Unamortized bond refunding charges	-	1,227,491	-
Total deferred outflows of resources	3,325,564	28,821,197	1,420,854
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	350,726	20,564,093	2,028,840
Accrued interest payable	-	1,689,349	-
Due to other funds	584,103	688,196	612,525
Unearned revenue	-	28,680	-
Current portion of compensated absences	167,145	1,704,493	-
Current maturities of long-term debt	112,142	9,147,122	-
Liabilities Payable from Restricted Assets:			
Customer deposits	-	6,457,672	-
Total current liabilities	1,214,116	40,279,605	2,641,365
Noncurrent Liabilities:			
Compensated absences payable	71,634	1,543,473	-
Net pension liability	1,390,704	17,714,637	594,590
Net OPEB liability	6,039,299	40,816,175	2,579,798
Noncurrent portion of long-term debt	58,831	196,289,185	-
Total noncurrent liabilities	7,560,468	256,363,470	3,174,388
Total liabilities	8,774,584	296,643,075	5,815,753
Deferred Inflows of Resources:			
Pension deferrals	22,421	156,791	9,586
OPEB deferrals	265,688	25,079,045	113,494
Total deferred inflows of resources	288,109	25,235,836	123,080
Net Position:			
Net investment in capital assets	1,570,877	319,875,363	15,619,597
Restricted for Insurance	-	-	7,439,721
Unrestricted	1,689	121,096,767	2,206,294
Total net position	\$ 1,572,566	\$ 440,972,130	\$ 25,265,612

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, 2021

	Major Enterprise Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Stormwater Fund
Operating Revenues:					
Charges for services	\$ 173,379,180	\$ 23,315,158	\$ 24,319,612	\$ 33,235,551	\$ 6,131,625
Other operating revenues	2,453,795	81,265	200,140	72,504	-
Total operating revenues	175,832,975	23,396,423	24,519,752	33,308,055	6,131,625
Operating Expenses:					
Administrative and general	13,332,258	4,370,559	4,278,005	4,132,349	100,233
Operations and maintenance	17,713,684	13,388,199	12,470,270	6,388,553	4,077,847
Purchased power and gas	123,958,173	-	-	15,482,952	-
Depreciation and amortization	11,998,783	4,458,059	7,028,108	2,712,742	315,939
Claims and payments to third-party administrators	-	-	-	-	-
Total operating expenses	167,002,898	22,216,817	23,776,383	28,716,596	4,494,019
Operating income (loss)	8,830,077	1,179,606	743,369	4,591,459	1,637,606
Nonoperating Revenues (Expenses):					
Investment earnings	272,783	46,661	75,498	79,006	-
Federal grants	-	-	-	-	-
Other nonoperating revenues	2,313,856	519,126	480,522	235,429	-
Bond issuance cost	-	-	-	-	-
Interest expense	(2,201,021)	(1,697,817)	(1,799,510)	(699,402)	(400,175)
Total nonoperating revenues (expenses)	385,618	(1,132,030)	(1,243,490)	(384,967)	(400,175)
Income (loss) before transfers and contributions	9,215,695	47,576	(500,121)	4,206,492	1,237,431
Transfers In (Out) and Capital Contributions:					
Capital contributions	93,750	637,195	1,395,185	-	719,506
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(4,834,992)	-	-	(1,665,149)	-
Total transfers in (out) and capital contributions:	(4,741,242)	637,195	1,395,185	(1,665,149)	719,506
Change in net position	4,474,453	684,771	895,064	2,541,343	1,956,937
Net Position:					
Beginning of year – July 1	154,556,684	81,608,026	120,578,595	52,187,908	19,915,783
End of year – June 30	\$ 159,031,137	\$ 82,292,797	\$ 121,473,659	\$ 54,729,251	\$ 21,872,720

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, 2021

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:			
Charges for services	\$ 8,249,986	\$ 268,631,112	\$ 22,072,388
Other operating revenues	150,316	2,958,020	185,076
Total operating revenues	<u>8,400,302</u>	<u>271,589,132</u>	<u>22,257,464</u>
Operating Expenses:			
Administrative and general	4,328,541	30,541,945	585,459
Operations and maintenance	5,463,153	59,501,706	5,975,706
Purchased power and gas	-	139,441,125	-
Depreciation and amortization	367,605	26,881,236	2,979,452
Claims and payments to third-party administrators	-	-	11,774,969
Total operating expenses	<u>10,159,299</u>	<u>256,366,012</u>	<u>21,315,586</u>
Operating income (loss)	<u>(1,758,997)</u>	<u>15,223,120</u>	<u>941,878</u>
Nonoperating Revenues (Expenses):			
Investment earnings	-	473,948	-
Federal grants	2,288,331	2,288,331	-
Other nonoperating revenues	-	3,548,933	-
Bond issuance cost	-	-	-
Interest expense	(6,036)	(6,803,961)	-
Total nonoperating revenues (expenses)	<u>2,282,295</u>	<u>(492,749)</u>	<u>-</u>
Income (loss) before transfers and contributions	<u>523,298</u>	<u>14,730,371</u>	<u>941,878</u>
Transfers In (Out) and Capital Contributions:			
Capital contributions	-	2,845,636	-
Transfers from other funds	-	-	2,605,493
Transfers to other funds	-	(6,500,141)	(140,000)
Total transfers in (out) and capital contributions:	<u>-</u>	<u>(3,654,505)</u>	<u>2,465,493</u>
Change in net position	523,298	11,075,866	3,407,371
Net Position:			
Beginning of year – July 1	<u>1,049,268</u>	<u>429,896,264</u>	<u>21,858,241</u>
End of year – June 30	<u>\$ 1,572,566</u>	<u>\$ 440,972,130</u>	<u>\$ 25,265,612</u>

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

Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2021

	Major Enterprise Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Stormwater Fund
Cash Flows from Operating Activities:					
Cash received from customers	\$ 176,904,010	\$ 24,268,166	\$ 25,326,251	\$ 33,305,759	\$ 5,297,121
Other operating receipts	2,143,054	81,939	144,927	221,119	-
Cash paid to vendors	(142,412,999)	(10,865,948)	(10,064,050)	(20,202,975)	(3,000,133)
Cash paid to employees	(12,724,184)	(6,576,718)	(6,422,470)	(5,461,623)	(923,126)
Payments received on loans	-	43,887	-	-	-
Net cash provided (used) by operating activities	23,909,881	6,951,326	8,984,658	7,862,280	1,373,862
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	(4,829,449)	-	-	(1,665,149)	-
Noncapital contributions	236,613	27,687	53,823	24,226	-
Repayments (to)/from other funds	-	-	-	-	-
Federal and State grants	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(4,592,836)	27,687	53,823	(1,640,923)	-
Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(22,986,060)	(20,873,419)	(6,758,658)	(4,459,024)	(4,420,326)
Capital grants/cash capital contributions	93,750	-	200,000	-	-
Capital related receipts from customers	-	299,078	315,060	-	-
Proceeds from issuance of long-term debt	2,649,975	20,774,991	25,781,993	637,336	2,049,961
Debt Refunded	(2,619,898)	(2,920,635)	(24,354,033)	(630,102)	-
Debt issuance costs	(24,344)	(848,350)	(225,202)	(5,852)	-
Repayment of principal of long-term debt	(2,047,265)	(1,455,837)	(3,681,674)	(844,586)	(2,015,709)
Interest and other debt related expenses	(2,341,880)	(914,816)	(1,629,340)	(744,365)	(400,175)
Net cash provided (used) by capital and related financing activities	(27,275,722)	(5,938,988)	(10,351,854)	(6,046,593)	(4,786,249)
Cash Flow from Investing Activities:					
Purchase of investments	(25,792,675)	(5,189,797)	(7,121,848)	(9,525,112)	-
Proceeds from sale and maturity of investments	29,968,402	5,001,403	8,065,890	10,031,674	-
Interest received on investments	628,214	115,847	173,166	207,918	-
Net cash provided (used) by investing activities	4,803,941	(72,547)	1,117,208	714,480	-
Net increase (decrease) in cash and cash equivalents	(3,154,736)	967,478	(196,165)	889,244	(3,412,387)
Cash and Cash Equivalents:					
Beginning of year – July 1	57,404,896	14,226,049	18,225,372	19,319,300	10,441,485
End of year – June 30	\$ 54,250,160	\$ 15,193,527	\$ 18,029,207	\$ 20,208,544	\$ 7,029,098

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

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2021

	Major Enterprise Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Stormwater Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 8,830,077	\$ 1,179,606	\$ 743,369	\$ 4,591,459	\$ 1,637,606
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	11,998,783	4,458,059	7,028,108	2,712,742	315,939
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	724,465	108,603	16,374	(31,114)	(834,504)
(Increase) decrease in notes receivable	-	43,887	-	-	-
(Increase) decrease in due from other governments	165,397	(99,899)	69,931	6,230	-
Change in due to/from other funds	-	-	-	-	-
(Increase) decrease in inventories	(1,092,475)	(116,505)	(35,208)	(197,314)	-
(Increase) decrease in prepaids	(151,051)	(12,966)	(25,465)	(22,210)	-
Increase (decrease) in net pension liability	1,417,304	760,505	725,937	553,096	233,908
(Increase) decrease in deferred inflow of resources for pensions	(556,765)	(298,752)	(285,173)	(217,275)	(725)
(Increase) decrease in deferred inflow of resources for OPEB	358,100	192,151	183,417	139,746	8,180
Increase (decrease) in deferred outflow of resources for pensions	12,814	6,875	6,563	5,000	(102,361)
Increase (decrease) in deferred outflow of resources for OPEB	8,263,446	4,434,044	4,232,496	3,224,759	(1,085,797)
Increase (decrease) in accounts payable	528,686	144,899	30,469	334,896	(420,666)
Increase (decrease) in due to other governments	4,691	7,894	5,909	1,999	-
Increase (decrease) in customer deposits	246,984	790,628	824,042	32,504	-
Increase (decrease) in compensated absences payable	190,389	85,278	87,990	70,979	-
Increase (decrease) in net OPEB liability	(9,108,206)	(4,887,330)	(4,665,178)	(3,554,421)	1,622,283
Increase (decrease) in unearned revenue	-	(38,010)	(70,560)	-	-
Miscellaneous income	2,077,242	192,359	111,637	211,204	-
Net cash provided (used) by operating activities	<u>\$ 23,909,881</u>	<u>\$ 6,951,326</u>	<u>\$ 8,984,658</u>	<u>\$ 7,862,280</u>	<u>\$ 1,373,863</u>
Noncash Investing, Capital, and Financing Activities:					
Capital contribution	\$ -	\$ -	\$ -	\$ -	\$ 719,506
Amortization of loss on refunding	-	-	-	-	23,542
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,048</u>
Reconciliation of Cash and Cash Equivalents:					
Cash and investments, unrestricted	\$ 50,641,660	\$ 9,342,241	\$ 14,143,510	\$ 19,530,442	\$ 7,029,098
Cash and investments, restricted	3,608,500	5,851,286	3,885,697	678,102	-
Total cash and cash equivalents	<u>\$ 54,250,160</u>	<u>\$ 15,193,527</u>	<u>\$ 18,029,207</u>	<u>\$ 20,208,544</u>	<u>\$ 7,029,098</u>

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

Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2021

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 8,283,961	\$ 273,385,268	\$ 22,654,340
Other operating receipts	-	2,591,039	-
Cash paid to vendors	(5,543,438)	(192,089,543)	(16,535,935)
Cash paid to employees	(3,759,120)	(35,867,241)	(1,546,838)
Payments received on loans	-	43,887	-
Net cash provided (used) by operating activities	<u>(1,018,597)</u>	<u>48,063,410</u>	<u>4,571,567</u>
Cash Flows from Noncapital Financing Activities:			
Repayment of principal of long-term debt	(159,030)	(159,030)	-
Interest and other financing costs	(6,036)	(6,036)	-
Transfers from other funds	-	-	2,605,493
Transfers to other funds	-	(6,494,598)	-
Noncapital contributions	-	342,349	-
Repayments (to)/from other funds	319,702	319,702	(784,088)
Federal and State grants	2,288,331	2,288,331	-
Net cash provided (used) by noncapital financing activities	<u>2,442,967</u>	<u>(3,709,282)</u>	<u>1,821,405</u>
Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(59,497,487)	(1,361,248)
Capital grants/cash capital contributions	-	293,750	-
Capital related receipts from customers	-	614,138	-
Proceeds from issuance of long-term debt	-	51,894,256	-
Debt Refunded	-	(30,524,668)	-
Debt issuance costs	-	(1,103,748)	-
Repayment of principal of long-term debt	-	(10,045,071)	-
Interest and other debt related expenses	-	(6,030,576)	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(54,399,406)</u>	<u>(1,361,248)</u>
Cash Flow from Investing Activities:			
Purchase of investments	-	(47,629,432)	-
Proceeds from sale and maturity of investments	-	53,067,369	-
Interest received on investments	-	1,125,145	-
Net cash provided (used) by investing activities	<u>-</u>	<u>6,563,082</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,424,370	(3,482,196)	5,031,724
Cash and Cash Equivalents:			
Beginning of year – July 1	<u>2,520,184</u>	<u>122,137,286</u>	<u>8,802,966</u>
End of year – June 30	<u>\$ 3,944,554</u>	<u>\$ 118,655,090</u>	<u>\$ 13,834,690</u>

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

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2021

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (1,758,997)	\$ 15,223,120	\$ 941,878
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	367,605	26,881,236	2,979,452
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(116,342)	(132,518)	224,328
(Increase) decrease in notes receivable	-	43,887	-
(Increase) decrease in due from other governments	-	141,659	-
Change in due to/from other funds	-	-	-
(Increase) decrease in inventories	-	(1,441,502)	-
(Increase) decrease in prepaids	-	(211,692)	-
Increase (decrease) in net pension liability	237,059	3,927,809	127,809
(Increase) decrease in deferred inflow of resources for pensions	(1,086)	(1,359,776)	709
(Increase) decrease in deferred inflow of resources for OPEB	(78,062)	803,532	(29,647)
Increase (decrease) in deferred outflow of resources for pensions	(70,885)	(141,994)	(46,704)
Increase (decrease) in deferred outflow of resources for OPEB	(2,455,881)	16,613,067	(1,050,534)
Increase (decrease) in accounts payable	(3,724)	614,560	185,399
Increase (decrease) in due to other governments	-	20,493	-
Increase (decrease) in customer deposits	-	1,894,158	-
Increase (decrease) in compensated absences payable	42,622	477,258	-
Increase (decrease) in net OPEB liability	2,819,094	(17,773,758)	1,238,877
Increase (decrease) in unearned revenue	-	(108,570)	-
Miscellaneous income	-	2,592,442	-
Net cash provided (used) by operating activities	<u>\$ (1,018,597)</u>	<u>\$ 48,063,411</u>	<u>\$ 4,571,567</u>
Noncash Investing, Capital, and Financing Activities:			
Capital contribution	\$ -	\$ 719,506	\$ -
Amortization of loss on refunding	-	23,542	-
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 743,048</u>	<u>\$ -</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments, unrestricted	\$ 3,944,554	\$ 104,631,505	\$ 6,394,969
Cash and investments, restricted	-	14,023,585	7,439,721
Total cash and cash equivalents	<u>\$ 3,944,554</u>	<u>\$ 118,655,090</u>	<u>\$ 13,834,690</u>

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

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

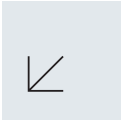
	<u>OPEB Trust Funds</u>
Assets:	
Cash and cash equivalents	\$ -
Restricted assets:	
Cash and cash equivalents	\$ 6,581,815
Investments:	
BlackRock MSCI ACWI EQ Index Non-lendable Fund	7,747,581
NC Non Pension Fixed Income	601,445
Total assets	<u>14,930,841</u>
Liabilities:	
Accounts payable	<u>-</u>
Net Position:	
Net position restricted for postemployment benefits other than pensions	<u>\$ 14,930,841</u>

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	<u>OPEB Trust Funds</u>
Additions:	
Employer contributions	\$ 5,403,849
Total contributions	<u>5,403,849</u>
Investment income:	
Interest	31,571
Net appreciation in fair value of investments	1,881,024
Less investment expense	(609)
Net investment income	<u>1,911,986</u>
Total additions	<u>7,315,835</u>
Deductions:	
Benefits	<u>4,103,849</u>
Total deductions	<u>4,103,849</u>
Change in net position	3,211,986
Net position restricted for postemployment benefits other than pensions:	
Net position, beginning of year	<u>11,718,855</u>
Net position, ending of year	<u>\$ 14,930,841</u>

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



NOTES TO
FINANCIAL
STATEMENT

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 93,400. 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 two fiduciary funds. 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.

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.

Stormwater Utility Fund. This fund is used to account for the operation of the stormwater system.

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 two nonmajor enterprise funds: Public Transportation 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 six special revenue funds: the Community Development and HOME Fund, Sheppard Memorial Library Fund, Housing Trust Fund, Occupancy Tax Fund, Centralized Grant Fund, FEMA Fund, Donations Fund, and Red Light Camera 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, 2021, the City has eleven 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, Engineering Capital Projects Fund, Community Development Capital Projects Fund, Information Technology Capital Projects Fund, Fire and Rescue Capital Projects Fund, Police Capital Projects Fund, and Capital Reserve Fund.

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.

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 post-employment 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 Post-employment 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.

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.

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.

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 fair value. The NCCMT-Term Portfolio is a bond fund, has no rating, and is measured at fair value. As of June 30, 2021, the Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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. The STIF is valued at \$1 per share. 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 \$23.107392 per share at June 30, 2021.

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.

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	\$	87,470
Streets		76,486
Public safety		472,040

Nonmajor Governmental funds:

Streets		2,971,525
Debt service		-
Unexpended debt proceeds		3,853,253
Unexpended grant proceeds		-
Unexpended donations		254,175

Internal Service Fund:

Self-insurance		7,439,721
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Total Governmental Activities	\$	<u>15,154,670</u>
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Business-Type Activities:

Cash:

Greenville Utilities Commission:

Customer deposits	\$	6,457,672
Unexpended bond proceeds		5,330,839
Unexpended system development fees		2,235,074

Total Business-Type Activities	\$	<u>14,023,585</u>
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4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 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, 2020. 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.

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 Governmental Accounting Standards Board (“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, 2020. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land improvements	10 years
Buildings	5 - 33 years
Equipment	5 - 20 years
Intangible	3 - 15 years
Distribution systems	10 - 50 years
Transmission systems	20 - 25 years
Computer hardware	5 years
Fiber optics	20 years
Vehicle	3 - 20 years

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:

Asset Class	Estimated Useful Lives
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 2021 fiscal year, OPEB deferrals for the 2021 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.

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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS") is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted fund balance on the face of the balance sheet.

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 Cultural and Recreational – Portion of fund balances that is restricted by revenue sources for cultural and recreational.

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

Restricted for Donations – Portion of fund balance that is restricted by revenue sources for purposes specified by donors.

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.

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 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.

Unassigned Fund Balance, as defined by GASB Statement 54, will be the portion of fund balance remaining after all other categories have been determined. These other categories are non-spendable amounts, commitments and restrictions for future expenditures, and required reserves as defined by State statutes. The City maintains a floor of 14% of the total current annual operating budget, while striving to maintain 16%-18% of the total current annual operating budget. The City Council may, from time to time, appropriate unassigned fund balances that will reduce unassigned fund balances below the 14.0% 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 City also maintains reserves in the Health Insurance Fund to pay for needs caused by unforeseen health claims, medical emergencies, and infrastructure improvements for the City Health Clinic. This reserve will be maintained at no less than 50% of the current annual budget in the fund.

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	\$	26,674,407
Less:		
Inventories		2,791
Prepaid items		38,750
Loans receivable		14,700
Stabilization by State statute		8,313,714
Restricted for general government		87,470
Restricted for streets		76,486
Restricted for public safety		335,839
Committed for catastrophic losses		2,290,371
Assigned for subsequent year's expenditures		750,000
		<u>14,764,286</u>
Total available fund balance	\$	<u>14,764,286</u>

The City of Greenville has outstanding encumbrances as of June 30, 2021, which represent amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end as noted below.

Encumbrances:		
General Fund:	\$	1,980,174
Aggregate nonmajor funds:	\$	18,845,625

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.

The City and Commission each participate in separate single-employer defined benefit postemployment benefit (OPEB) plans: The North Carolina OPEB Trust Fund (City) and the Other Postemployment Benefits (OPEB) Trust Fund (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 fire rescue capital project fund is reporting a deficit fund balance of \$640,740 due to a project that is intended to be paid for with debt financing. The debt is intended to be issued in Fiscal Year 2022, at which time the fund will no longer operate at a deficit.

The Fleet internal service fund is reporting a net position deficit of \$2,334,750 as of June 30, 2021. Management will more closely review budget reports and chargeback rates for services.

II. Pronouncements Issued But Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2021 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. 87, "Leases". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, "Conduit Debt Obligations". The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, "Omnibus 2020". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93, "Replacement of Interbank Offered Rates". The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 except paragraphs 4 and 5, which are effective immediately (June 2020).

GASB Statement No. 98, "The Annual Comprehensive Financial Report". The requirements of this Statement are effective for fiscal years beginning after December 15, 2021. The Utilities Commission elected to implement this standard in the fiscal year ending June 30, 2021.

Earlier application of these statements is encouraged. For the original pronouncements, please visit the GASB's website, www.gasb.org.

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, 2021, the City's deposits had a carrying amount of \$4,371,160 and a bank balance of \$4,139,095. Of the bank balance, \$882,932 was covered by Federal depository insurance, and the remainder of \$3,256,163 was covered by collateral held under the pooling method. The City's deposits include checking accounts, money market accounts, and \$1,021,064 in certificates of deposit which are reported as short-term investments. The City's cash on hand at June 30, 2021 consisted of various petty cash funds totaling \$7,732.

At June 30, 2021, the Commission's deposits had a carrying amount of \$102,392,641 and a bank balance of \$104,349,658. Of the bank balance, \$3,013,620 was covered by Federal depository insurance, and \$101,336,038 was covered by collateral held under the pooling method. The Commission's deposits include checking accounts, savings accounts, money market accounts, and \$5,187,695 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, 2021 consisted of various petty cash funds totaling \$5,800.

2. Investments

At June 30, 2021, the investments and related maturities of the City were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than Six Months		
			6-12 Months	1-5+ Years	
Bank Certificates of Deposit	Amortized Cost	\$ 1,021,064	\$ 1,021,064	\$ -	\$ -
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	39,909,670	39,909,670	-	-
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	-	-	-	-
U.S. Treasuries	Fair Value Level 1	5,217,579	-	-	5,217,579
Government Municipal Bond	Fair Value Level 1	-	-	-	-
U.S. Government Agency - FHLB	Fair Value Level 2	353,879	-	-	353,879
U.S. Government Agency - FHLMC	Fair Value Level 2	7,444,376	-	-	7,444,376
U.S. Government Agency - FNMA	Fair Value Level 2	12,288,776	-	-	12,288,776
Total Investments		<u>\$ 66,235,344</u>	<u>\$ 40,930,734</u>	<u>\$ -</u>	<u>\$ 25,304,610</u>

At June 30, 2021, the Commission had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than Six Months		
			6-12 Months	1-5+ Years	
Bank Certificates of Deposit	Amortized Cost	\$ 5,187,695	\$ 5,187,695	\$ -	\$ -
U.S. Government Agencies	Fair Value Level 1	5,743,263	-	-	5,743,263
U.S. Treasury Bills	Fair Value Level 1	1,999,580	1,999,580	-	-
U.S. Treasury Notes	Fair Value Level 1	41,476,167	17,458,992	15,087,664	8,929,511
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	11,766,761	11,766,761	-	-
Total Investments		<u>\$ 66,173,466</u>	<u>\$ 36,413,028</u>	<u>\$ 15,087,664</u>	<u>\$ 14,672,774</u>

* Because the NC Capital Management Trust Term and Government Portfolios have a weighted average maturity of less than 90 days, they were presented as investments 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.

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 investments in Federal Home Loan Mortgage Corporation are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The investments in Federal National Mortgage Association are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The City's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAAMf by Moody's Investor Service as of June 30, 2021.

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, 2021. 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:

Issuer	Amount	% of
Federal Home Loan Bank	353,879	0.53%
Federal Home Loan Mortgage Corporation	7,444,376	11.24%
Federal National Mortgage Association	12,288,776	18.55%

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.

OPEB Trust Fund (City excluding the Commission). At June 30, 2021, the City’s OPEB Trust Fund had \$7,925,791 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) 65.32%; State Treasurer’s Bond Index Fund (“BIF”) 9.35%; and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund 25.33% (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 1.3 years at June 30, 2021. The State Treasurer’s BIF is unrated and had a weighted average maturity of 7.97 years at June 30, 2021.

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, 2021, the Commission OPEB Trust had \$5,257,070 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 22%; State Treasurer’s BIF 14%; and BlackRock’s MSCI ACWI EQ

Index Non-Lendable Class B Fund 64% (the equities were split with 58.82% in domestic securities and 41.18% 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 1.3 years at June 30, 2021. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

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, 2021 of 1.3 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 8.34 years at June 30, 2021.

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, 2021, the fair value of the funds was \$32.245912 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:

Total per Footnote:	City	Commission	Total
Investments	\$ 65,214,280	\$ 60,985,751	\$ 126,200,031
Investments - OPEB Trust Fund	7,925,791	7,005,050	14,930,841
Cash	4,371,160	95,908,878	100,280,038
Certificates of deposit	1,070,669	5,187,695	6,258,364
Petty cash	7,732	5,800	13,532
	<u>78,589,632</u>	<u>169,093,174</u>	<u>247,682,806</u>
Total	<u>\$ 78,589,632</u>	<u>\$ 169,093,174</u>	<u>\$ 247,682,806</u>

Total per Statement of Net Assets:

Cash and investments - unrestricted	\$ 203,706,643
Cash and investments - restricted	29,045,322
Cash and investments - Pension Trust Funds	14,930,841
Cash and cash equivalents - Agency Fund	-
	<u>\$ 247,682,806</u>

3. Receivables – Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2021 were as follows:

	<u>Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Governmental Activities:			
Tax Receivable	\$ 306,473	\$ 59,666	\$ 246,807
Accounts Receivable			
Rescue fees receivable	4,117,533	2,058,767	2,058,766
Lot cutting fees receivable	242,384	-	242,384
Parking violations receivable	80,952	-	80,952
Loans receivable	740,159	-	740,159
Other receivables	1,826,729	358,863	1,467,866
Interest receivable	8	-	8
Due from other governments	4,894,381	-	4,894,381
Total Governmental Activities	<u>\$ 12,208,619</u>	<u>\$ 2,477,296</u>	<u>\$ 9,731,323</u>
Business-Type Activities:			
Greenville Utilities Commission	\$ 31,202,175	\$ 6,880,110	\$ 24,322,065
Stormwater fund	3,774,532	-	3,774,532
Other nonmajor enterprise	1,610,061	-	1,610,061
Due from other governments	2,086,261	-	2,086,261
Total Business-Type Activities	<u>\$ 38,673,029</u>	<u>\$ 6,880,110</u>	<u>\$ 31,792,919</u>

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 \$182,099; 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, 2021 was as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/CIP</u>	<u>Balance June 30, 2021</u>
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 42,283,922	\$ -	\$ -	\$ -	\$ 42,283,922
Right-of-way easements	12,560,317	1,036,200	(40,700)	-	13,555,817
Construction in progress	10,962,241	7,430,600	-	(1,781,898)	16,610,943
Total capital assets not being depreciated	<u>65,806,480</u>	<u>8,466,800</u>	<u>(40,700)</u>	<u>(1,781,898)</u>	<u>72,450,682</u>
Capital Assets Being Depreciated:					
Buildings	86,085,309	211,433	-	1,781,898	88,078,640
Improvements	8,706,729	100,000	-	-	8,806,729
Intangible	2,022,400	-	-	-	2,022,400
Infrastructure	110,288,662	4,417,029	(111,031)	-	114,594,660
Vehicles	4,923,541	44,607	(213,458)	-	4,754,690
Machinery and equipment	19,010,057	251,913	(193,514)	-	19,068,456
Total capital assets being depreciated	<u>231,036,698</u>	<u>5,024,982</u>	<u>(518,003)</u>	<u>1,781,898</u>	<u>237,325,575</u>
Less Accumulated Depreciation for:					
Buildings	(39,783,666)	(2,610,824)	-	-	(42,394,490)
Improvements	(5,938,232)	(306,453)	-	-	(6,244,685)
Intangible	(1,729,632)	(292,767)	-	-	(2,022,399)
Infrastructure	(31,662,497)	(2,165,311)	85,247	-	(33,742,561)
Vehicles	(4,206,714)	(139,874)	173,873	-	(4,172,715)
Machinery and equipment	(16,556,128)	(688,631)	193,514	-	(17,051,245)
Total accumulated depreciation	<u>(99,876,869)</u>	<u>(6,203,860)</u>	<u>452,634</u>	<u>-</u>	<u>(105,628,095)</u>
Total capital assets being depreciated, net	<u>131,159,829</u>	<u>(1,178,878)</u>	<u>(65,369)</u>	<u>1,781,898</u>	<u>131,697,480</u>
Governmental activities capital assets, net	<u>\$ 196,966,309</u>	<u>\$ 7,287,922</u>	<u>\$ (106,069)</u>	<u>\$ -</u>	<u>\$ 204,148,162</u>

	Balance June 30, 2020	Additions	Deletions	Transfers/CIP	Balance June 30, 2021
Internal Service Fund:					
(reported in Governmental Activities)					
Capital Assets Not Being Depreciated:					
Construction in progress	\$ 2,476,391	\$ 190,096	\$ -	\$ (2,476,391)	\$ 190,096
Total capital assets not being depreciated	<u>2,476,391</u>	<u>190,096</u>	<u>-</u>	<u>(2,476,391)</u>	<u>190,096</u>
Capital Assets Being Depreciated:					
Building	903,162	-	-	-	903,162
Vehicles	34,491,539	1,100,108	(1,030,892)	2,476,391	37,037,146
Machinery and equipment	2,728,307	71,191	(47,386)	-	2,752,112
Improvements	85,211	-	-	-	85,211
Total capital assets being depreciated	<u>38,208,219</u>	<u>1,171,299</u>	<u>(1,078,278)</u>	<u>2,476,391</u>	<u>40,777,631</u>
Less Accumulated Depreciation for:					
Building	(275,025)	(60,108)	-	-	(335,133)
Vehicles	(21,337,791)	(2,693,027)	1,030,744	-	(23,000,074)
Machinery and equipment	(1,797,121)	(219,855)	47,386	-	(1,969,590)
Improvements	(36,871)	(6,462)	-	-	(43,333)
Total accumulated depreciation	<u>(23,446,808)</u>	<u>(2,979,452)</u>	<u>1,078,130</u>	<u>-</u>	<u>(25,348,130)</u>
Total capital assets being depreciated, net	<u>14,761,411</u>	<u>(1,808,153)</u>	<u>(148)</u>	<u>-</u>	<u>15,429,501</u>
Capital assets, net	<u>\$ 17,237,802</u>	<u>\$ (1,618,057)</u>	<u>\$ (148)</u>	<u>\$ -</u>	<u>\$ 15,619,597</u>

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

General government	\$ 1,593,213
Public safety	753,852
Economic and physical development	5,024
Cultural and recreational	1,675,697
Transportation	10,762
Infrastructure	<u>2,165,312</u>
Total	<u>\$ 6,203,860</u>
General Government - Internal Service Fund	<u>\$ 2,979,452</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.

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/CIP</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities Capital Assets Not Being Depreciated:					
Construction in progress	\$ 27,995,382	\$ 3,915,628	\$ -	\$ (30,774,520)	\$ 1,136,490
Total capital assets not being depreciated	<u>27,995,382</u>	<u>3,915,628</u>	<u>-</u>	<u>(30,774,520)</u>	<u>1,136,490</u>
Capital Assets Being Depreciated:					
Buildings	407,664	-	-	-	407,664
Machinery and equipment	657,924	145,906	(33,518)	55,393	825,705
Vehicles	7,573,981	358,794	(91,247)	-	7,841,528
Intangible	20,500	-	-	-	20,500
Infrastructure	10,869,994	748,980	(29,474)	30,719,127	42,308,627
Total capital assets being depreciated	<u>19,530,063</u>	<u>1,253,680</u>	<u>(154,239)</u>	<u>30,774,520</u>	<u>51,404,024</u>
Less Accumulated Depreciation for:					
Buildings	(406,106)	(367)	-	-	(406,473)
Machinery and equipment	(518,220)	(38,905)	33,518	-	(523,607)
Vehicles	(4,887,783)	(445,762)	91,249	-	(5,242,296)
Intangible	(4,442)	(4,100)	-	-	(8,542)
Infrastructure	(811,739)	(194,410)	-	-	(1,006,149)
Total accumulated depreciation	<u>(6,628,290)</u>	<u>(683,544)</u>	<u>124,767</u>	<u>-</u>	<u>(7,187,067)</u>
Total capital assets being depreciated, net	<u>12,901,773</u>	<u>570,136</u>	<u>(29,472)</u>	<u>30,774,520</u>	<u>44,216,957</u>
Business-type activity capital assets, net	<u>\$ 40,897,155</u>	<u>\$ 4,485,764</u>	<u>\$ (29,472)</u>	<u>\$ -</u>	<u>\$ 45,353,447</u>

Capital asset activity for the Commission for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Transfers/CIP	Balance June 30, 2021
Capital Assets Not Being Depreciated:					
Land	\$ 8,546,447	\$ -	\$ -	\$ -	\$ 8,546,447
Easements	584,662	56,275	-	-	640,937
Construction in progress	58,487,641	39,239,818	-	(61,440,697)	36,286,762
Total capital assets not being depreciated	67,618,750	39,296,093	-	(61,440,697)	45,474,146
Capital Assets Being Depreciated:					
Land improvements	3,562,298	219,632	-	-	3,781,930
General plant	13,368,010	365,836	-	54,009,356	67,743,202
Utility plant	179,576,949	2,256,530	-	908,228	182,741,707
Computer software	33,003,818	651,208	-	-	33,655,026
Vehicles and equipment	29,822,570	2,443,814	(602,866)	-	31,663,518
Distribution systems	491,117,517	11,515,041	-	6,523,113	509,155,671
Transmission systems	46,944,592	51,863	-	-	46,996,455
Computer hardware	4,319,566	198,473	-	-	4,518,039
Fiber optics	2,432,122	71,870	-	-	2,503,992
Total capital assets being depreciated	804,147,442	17,774,267	(602,866)	61,440,697	882,759,540
Less Accumulated Depreciation for:					
Land improvements	1,687,723	177,064	-	-	1,864,787
General plant	7,866,751	2,150,942	-	-	10,017,693
Utility plant	80,640,130	5,302,249	-	-	85,942,379
Computer software	15,547,357	1,828,378	-	-	17,375,735
Vehicles and equipment	25,727,199	1,907,710	(577,246)	-	27,057,663
Distribution systems	265,953,790	12,929,564	-	-	278,883,354
Transmission systems	26,639,746	1,498,215	-	-	28,137,961
Computer hardware	3,516,222	282,601	-	-	3,798,823
Fiber optics	1,580,805	120,969	-	-	1,701,774
Total accumulated depreciation	429,159,723	26,197,692	(577,246)	-	454,780,169
Total capital assets being depreciated, net	374,987,719	(8,423,425)	(25,620)	61,440,697	427,979,371
Net Capital Assets	\$ 442,606,469	\$ 30,872,668	\$ (25,620)	\$ -	\$ 473,453,517

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2021 totaled \$11,998,783, \$4,458,059, \$7,028,108, and \$2,712,742, respectively.

Construction Commitments (Commission).

The Commission has active construction projects as of June 30, 2021. At year-end, the Commission's commitments with contractors were as follows:

Project Name	Spent-to-Date	Remaining Commitments
Electric transmission system	\$ 2,107,522	\$ 428,745
Electric distribution system	4,170,254	2,363,528
Water treatment and distribution system	25,795,684	29,648,320
Sewer treatment and collection system	2,849,823	2,343,847
Natural gas distribution system	986,980	1,759,096
Administrative facilities	51,172,751	6,689,139
Total	<u>\$ 87,083,014</u>	<u>\$ 43,232,675</u>

B. Liabilities**Accounts Payable and Accrued Liabilities.**

Payables at the government-wide level at June 30, 2021 were as follows:

Type of Payable		Business- Type Activities
Trade payable	\$ 4,762,060	\$ 19,310,229
Accrued salaries and fringe benefits	1,367,490	1,238,044
Other accrued expenses	-	15,820
Total	<u>\$ 6,129,550</u>	<u>\$ 20,564,093</u>

1. Pension Plan Obligations**a. Local Governmental Employees' Retirement System**

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

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, 2021 was 10.9 % of compensation for law enforcement officers and 10.15% 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 \$4,313,612 for the year ended June 30, 2021. The Commission's contributions to LGERS were \$\$3,303,677 for the year ended June 30, 2021.

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, 2021, the City reported a liability of \$23,117,207 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the City's proportion was 0.64692%, which was a decrease of -0.00412% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$7,604,748. At June 30, 2021, 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	\$ 2,919,298	\$ -
Net difference between projected and actual earnings on pension plan investments	3,253,128	-
Changes in proportion and differences between contributions and proportionate share of contributions	45,358	366,854
Changes of assumptions	1,720,374	-
Contributions subsequent to the measurement date	4,313,612	-
Total	<u>\$ 12,251,770</u>	<u>\$ 366,854</u>

\$4,313,612 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 2,078,583
2023	2,840,474
2024	1,689,487
2025	962,760
Thereafter	-
Total	<u>\$ 7,571,304</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.05%
Salary increases	3.50% to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled, 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, 2019 actuarial 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.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.00%	1.40%
Global Equity	42.00%	5.30%
Real Estate	8.00%	4.30%
Alternatives	8.00%	8.90%
Credit	7.00%	6.00%
Inflation Protection	6.00%	4.00%
	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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 Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of (7.00%), 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City’s proportionate share of the net pension liability	\$ 46,902,295	\$ 23,117,207	\$ 3,350,127

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 for the State of North Carolina.

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

At June 30, 2021, the Commission reported a liability of \$15,719,500 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the Commission’s proportion was 0.43990%, which was an increase of 0.00913% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Commission recognized pension expense of \$5,433,806. At June 30, 2021, 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	\$ 1,985,097	\$ -
Changes of assumptions	1,169,839	-
Net difference between projected and actual earnings on pension plan investments	2,212,098	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,822	124,625
Commission contributions subsequent to the measurement date	3,303,677	-
Total	<u>\$ 8,746,533</u>	<u>\$ 124,625</u>

\$3,303,677 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, 2022. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2022	\$ 1,526,181
2023	1,995,702
2024	1,141,682
2025	654,666
Thereafter	-
Total	\$ 5,318,231

Sensitivity of the Commission’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Commission’s proportionate share of the net pension liability	\$ 31,893,155	\$ 15,719,500	\$ 2,278,057

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued 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, 2019 the Separation Allowance’s membership consisted of:

Retirees receiving benefits	30
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	190
Total	220

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.

3. Actuarial Assumptions.

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	1.93%
Salary increases	3.25% to 7.75%, including inflation and productivity factor
Discount rate	2.50%

The discount rate is based on the yield of the S&P Municipal Bond 20-year High Grade Rate Index determined as of December 21, 2019.

Mortality rates are based on the Pub-2010 Mortality tables projected forward generationally from the valuation date using MP-2019.

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 \$576,150 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, 2021, the City reported a total pension liability of \$11,329,670. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021 the City recognized pension expense of \$1,112,909.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,030	\$ 111,706
Changes of assumptions	2,729,307	170,134
City benefit payments and plan administrative expenditures paid subsequent to the measurement date	273,196	-
Total	\$ 3,107,533	\$ 281,840

Subsequent to the measurement date, \$273,196 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2022	\$ 514,492
2023	532,922
2024	516,273
2025	546,799
2026	442,011
Thereafter	-
	\$ 2,552,497

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 1.93%, 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 (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 12,236,350	\$ 11,329,670	\$ 10,495,407

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

Beginning balance	\$ 8,202,185
Service cost	338,444
Interest on the total pension liability	258,548
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	126,730
Changes of assumptions or other inputs	2,946,271
Benefit payments	(542,508)
Other changes	-
Ending balance of the total pension liability	<u>\$ 11,329,670</u>

	LGERS (City)	LGERS (Commission)	LEOSSA	TOTAL
Proportionate Share of Net Pension Liability (Asset)	\$ 23,117,207	\$ 15,719,500	\$ -	\$ 38,836,707
Proportion of the Net Pension Liability (Asset)	0.64692%	0.43990%	N/A	N/A
Total Pension Liability	\$ -	\$ -	\$ 11,329,670	\$ 11,329,670
Pension Expense	\$ 7,604,748	\$ 5,433,806	\$ 1,112,909	\$ 14,151,463
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 2,919,298	\$ 1,985,097	\$ 105,030	\$ 5,009,425
Changes of assumptions	\$ 1,720,374	\$ 1,169,839	\$ 2,729,307	\$ 5,619,520
Net difference between projected and actual earnings on pension plan investments	\$ 3,253,128	\$ 2,212,098	\$ -	\$ 5,465,226
Changes in proportion and differences between City contributions and proportionate share of contributions	\$ 45,358	\$ 75,822	\$ -	\$ 121,180
City contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	\$ 4,313,612	\$ 3,303,677	\$ 273,196	\$ 7,890,485
Deferred inflows of Resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 111,706	\$ 111,706
Changes of assumptions	\$ -	\$ -	\$ 170,134	\$ 170,134
Changes in proportion and differences between City contributions and proportionate share of contributions	\$ 366,854	\$ 124,625	\$ -	\$ 491,479

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 for the State of North Carolina. The State’s Comprehensive Annual Financial Report 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 \$530,759 for the year ended June 30, 2021. No amounts were forfeited.

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.

Inactive plan members or beneficiaries currently receiving benefit payments	308
Inactive plan members entitled to, but not yet receiving, benefit payments	-
Active plan members	741
Total	1,049

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.

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:

Years of Service	Age at Retirement	
	55-59	60+
20 - 24 years	50%	65%
25+	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 \$3,088,605. 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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Index Fund	7.59%	3.50%
Bond Index Fund	28.81%	2.21%
Short-Term Investment Fund	63.60%	2.16%
Total	100.00%	

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, 2021, the annual money weighted rate of return on investments, net of investment expense, was 10.3%. 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, 2021 were as follows:

Total OPEB liability	\$ 106,768,632
Plan fiduciary net position	(7,925,791)
City's net OPEB liability	<u>\$ 98,842,841</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.42%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25%-8.41%
Firefighters	3.50%-8.15%
Law Enforcement Officers	3.50%-7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.50%
Municipal bond index rate	
Prior measurement date	2.21%
Measurement date	2.16%
Year fiduciary net position is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	7.00%
Measurement date	3.50%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

The long-term expected rate of return is based upon the historical returns of the plan's investments, which have consistently approximated 3.50% 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 3.50%.

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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Discount Rate. The discount rate used to measure the total OPEB liability ("TOL") as of the measurement date was 3.50%. 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 using the payroll growth assumptions.
- 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.
- In addition to the direct payment of benefits, the employer will contribute \$800,000 to the trust for fiscal year ending June 30, 2021. The contribution to the trust will be increased \$100,000 each year until the contribution reaches \$1,000,000.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- 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.

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 119,403,602	\$ 98,842,841	\$ 82,733,096

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 or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 84,435,648	\$ 98,842,841	\$ 117,006,984

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the City reported a net OPEB liability of \$98,842,841. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the net OPEB liability of the City, measured as of June 30, 2021, were as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net OPEB	Net Position Liability
Balance at July 1, 2020	\$ 56,310,153	\$ 6,461,785	\$ 49,848,368
Changes for the year:			
Service cost	975,391	-	975,391
Interest	3,862,964	-	3,862,964
Changes of benefit terms	-	-	-
Differences between expected and actual experience	8,647,895	-	8,647,895
Changes of assumptions or other inputs	39,260,834	-	39,260,834
Contributions - employer	-	3,088,605	(3,088,605)
Net investment income	-	664,006	(664,006)
Benefit payments	(2,288,605)	(2,288,605)	-
Plan administrative expenses	-	-	-
Net changes	<u>50,458,479</u>	<u>1,464,006</u>	<u>48,994,473</u>
Balance at June 30, 2021	<u>\$ 106,768,632</u>	<u>\$ 7,925,791</u>	<u>\$ 98,842,841</u>

For the year ended June 30, 2021, medical trend assumptions changed from 7.75% for pre-Medicare medical and prescription drug costs to 7.00%, decreasing to an ultimate rate of 4.50% by 2030 rather than 5.00%. For Medicare medical and prescription drug costs, medical trend assumptions changed from 5.75% to 5.25%, decreasing to an ultimate rate of 4.50% rather than 5.00% by 2024.

For the year ended June 30, 2021, the City recognized OPEB expense of \$10,795,641. At June 30, 2021, 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	\$ 8,333,952	\$ 4,348,410
Changes of assumptions or other inputs	33,978,281	-
Net difference between projected and actual earnings on plan investments	100,521	-
Total	<u>\$ 42,412,754</u>	<u>\$ 4,348,410</u>

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

Year Ending June 30:	
2022	\$ 6,437,135
2023	6,412,123
2024	6,378,564
2025	6,272,733
2026	6,698,444
Thereafter	5,865,345
	<u>\$ 38,064,344</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 \$275,000 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.

Plan Membership. At June 30, 2020, the valuation date, the GUC OPEB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	188
Inactive plan members entitled to but not yet receiving benefit payments	-
Active members	459
Total	647

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:

Years of Service	Age at Retirement	
	55-59	60+
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 \$2,315,244. The GUC OPEB Plan is accounted for as a trust fund.

Investments

Investment Policy. As of the most recent adoption of the current long-term rate of return by the GUC OPEB 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	60.00%	7.00%
Bonds	10.00%	3.00%
Cash and Cash Equivalents	30.00%	2.00%
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, 2021, the annual money weighted rate of return on investments, net of investment expense, was 21.915%. 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, 2021, the components of the net OPEB liability of the Commission were as follows:

Total OPEB liability (TOL)	\$ 39,152,706
Plan fiduciary net position (FNP)	(7,005,050)
Commission's net OPEB liability (NOL)	<u>\$ 32,147,656</u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.89%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actual assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	
Municipal bond index rate	7.00%
Prior measurement date	2.21%
Measurement date	2.16%
Year fiduciary net position is projected to be depleted	
Prior measurement date	2042
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	3.41%
Measurement date	7.00%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

The TOL determined by the June 30, 2020 valuation date was rolled forward to the June 30, 2021 measurement date using standard roll forward techniques. The roll forward calculation begins with the TOL, as of June 30, 2020, subtracts the expected 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, 2021 beginning with the TOL as of June 30, 2020 using the same roll forward methodology. Actuarial gains and losses arising from the change in the SEIR from 3.41% on the prior measurement date to 7.00% 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 SEIR.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, 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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 using payroll growth assumptions.
- Active employees do not explicitly contribute to the plan.
- In all years, the employer is assumed to contribute \$500,000 to the Plan through deposits to the Trust and pay benefits to plan members as the benefits come due, as stated in the formal funding policy. 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.

Based on these assumptions, the plan’s FNP was projected to not be depleted.

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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 37,272,969	\$ 32,147,656	\$ 27,908,225

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	\$ 27,391,379	\$ 32,147,656	\$ 37,955,154

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the Commission reported a net OPEB liability of \$32,147,656. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, 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, 2020	\$ 59,619,861	\$ 5,257,070	\$ 54,362,791
Changes for the year:			
Service cost	1,479,356	-	1,479,356
Interest	2,002,347	-	2,002,347
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,384,719	-	2,384,719
Changes of assumptions or other inputs	(24,518,333)	-	(24,518,333)
Contributions - employer	-	2,315,244	(2,315,244)
Net investment income	-	1,247,980	(1,247,980)
Benefit payments	(1,815,244)	(1,815,244)	-
Net changes	(20,467,155)	1,747,980	(22,215,135)
Balance at June 30, 2021	<u>\$ 39,152,706</u>	<u>\$ 7,005,050</u>	<u>\$ 32,147,656</u>

Changes of assumptions. Change in the discount rate.

For the year ended June 30, 2021, the Commission recognized OPEB expense of \$1,128,268. At June 30, 2021, 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	\$ 2,861,085	\$ 361,357
Changes of assumptions	11,213,268	23,785,268
Net difference between projected and actual earnings on investments	-	551,064
Total	<u>\$ 14,074,353</u>	<u>\$ 24,697,689</u>

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

Year Ending June 30:	
2022	\$ (1,968,238)
2023	(1,968,428)
2024	(1,984,977)
2025	(1,254,455)
2026	(2,260,368)
Thereafter	(1,186,870)
	<u>\$ (10,623,336)</u>

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

	<u>OPEB Trust Fund (City)</u>	<u>OPEB Trust Fund (Commission)</u>	<u>Pension Trust Fund Total</u>
Statements of Fiduciary Net Position			
Assets:			
Restricted assets			
Cash and cash equivalents	\$ 5,040,644	\$ 1,541,096	\$ 6,581,815
Investments:			
BlackRock MSCI ACWI EQ Index Non-Lendable Fund	2,283,627	4,483,232	7,747,581
NC Non-Pension Fixed Income	601,445	980,722	601,445
Total assets	<u>7,925,716</u>	<u>7,005,050</u>	<u>14,930,841</u>
Liabilities:			
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Net position restricted for postemployment benefits other than pensions	<u>\$ 7,925,716</u>	<u>\$ 7,005,050</u>	<u>\$ 14,930,841</u>
	<u>OPEB Trust Fund (City)</u>	<u>OPEB Trust Fund (Commission)</u>	<u>Pension Trust Fund Total</u>
Statements of Changes in Fiduciary Net Position Additions:			
Contributions:			
Employer contributions	\$ 3,088,605	\$ 2,315,244	\$ 5,403,849
Total contributions	<u>3,088,605</u>	<u>2,315,244</u>	<u>5,403,849</u>
Investment earnings:			
Interest	-	31,571	31,571
Net increase (decrease) in the fair value of investments	664,006	1,217,018	1,881,024
Total investment earnings	<u>664,006</u>	<u>1,248,589</u>	<u>1,912,595</u>
Less investment expense	-	609	609
Net investment income	<u>664,006</u>	<u>1,247,980</u>	<u>1,911,986</u>
Total additions	<u>3,752,611</u>	<u>3,563,224</u>	<u>7,315,835</u>
Deductions:			
Benefits	2,288,605	1,815,244	4,103,849
Total deductions	<u>2,288,605</u>	<u>1,815,244</u>	<u>4,103,849</u>
Change in net position	1,464,006	1,747,980	3,211,986
Net position restricted for postemployment benefits other than pensions, beginning of year	6,461,785	5,257,070	11,718,855
Net position restricted for postemployment benefits other than pensions, end of year	<u>\$ 7,925,791</u>	<u>\$ 7,005,050</u>	<u>\$ 14,930,841</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.

3. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows			
	Statement of Net Position			Governmental
	OPEB Deferrals	Pension Deferrals	Unamortized Bond Refunding	Funds Balance Sheet Deferrals
City				
Contributions to LGERS pension plan in current year	\$ -	\$ 4,313,612	\$ -	\$ -
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date	-	273,196	-	-
Differences between expected and actual experience	8,333,952	3,024,328	-	-
Changes of assumptions	33,978,281	4,449,681	-	-
Net difference between projected and actual investment earnings	100,521	3,253,128	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	45,358	-	-
Charge on refunding	-	-	395,384	-
Commission				
Contributions to LGERS pension plan in current year	-	3,303,677	-	-
Differences between expected and actual experience	2,861,085	1,985,097	-	-
Changes of assumptions	11,213,268	1,169,839	-	-
Net difference between projected and actual investment earnings	-	2,212,098	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	75,822	-	-
Charge on refunding	-	-	1,227,491	-
Total	\$ 56,487,107	\$ 24,105,836	\$ 1,622,875	\$ -

	Deferred Inflows			
	Statement of Net Position			Governmental
	OPEB Deferrals	Pension Deferrals	Other Deferrals	Funds Balance Sheet Deferrals
City				
Property Tax Receivable	\$ -	\$ -	\$ -	\$ 246,807
Other Receivables (general fund)	-	-	-	3,196,805
Other Receivables (nonmajor governmental funds)	-	-	-	287,084
Prepaid Property Taxes General Fund	-	-	-	-
Differences between expected and actual experience	4,348,410	111,706	-	-
Changes of assumptions	-	170,134	-	-
Net difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	366,854	-	-
Commission				
Differences between expected and actual experience	361,357	-	-	-
Changes of assumptions	23,785,268	-	-	-
Net difference between projected and actual investment earnings	551,064	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	124,625	-	-
Total	<u>\$ 29,046,099</u>	<u>\$ 773,319</u>	<u>\$ -</u>	<u>\$ 3,730,696</u>

Unearned Revenue (Commission) consists of connection fees that were paid in advance for services that have not yet been installed. The fees paid in advance will be recognized as revenue at the time the services 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	\$175,127,219
Crime	\$1,000,000
Commercial Excess Liability (Umbrella)	\$3,000,000 / \$3,000,000
Commercial Auto Liability	\$2,000,000
General Liability	\$2,000,000 / \$4,000,000
Law Enforcement Liability	\$2,000,000 / \$2,000,000
Workers’ compensation	Statutory
Workers’ compensation employers’ liability	\$2,000,000
Commercial Auto Liability	\$2,000,000
Public employees’ blanket bond	\$1,000,000
Public officials’ bonds - Director of Financial Services	\$250,000

Due to the City being in an area close to a river, it is susceptible to flood damage; therefore, the City carries flood insurance through American Bankers Company for six of its off-site locations. The City has coverage of \$2,215,000 on the properties.

The City and Commission expanded its risk management program to account for and finance its uninsured risk of a loss in health insurance. Under this program, the City and Commission fund coverage up to a maximum of \$200,000 per person, per year. The City purchases commercial insurance for amounts incurred in excess of the self-funded claims limits. The City and the Commission participate in this program and make payments to CIGNA Healthcare of North Carolina, Inc., the third-party administrator, based on the actuary estimates of the amounts needed to pay claims and to establish a reserve for catastrophic losses. Amounts withheld from employees and the City's operating funds are available to pay claims, claims reserve, and the administrative costs of the program.

For the City (except for Commission), the claims liability of \$1,714,000 reported in accounts payable in the Health Insurance Internal Service Fund at June 30, 2021 is based upon the requirements of GASB 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 liabilities during the fiscal years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning	\$ 1,486,000	\$ 1,537,000
Incurred claims and administrative costs	12,592,548	12,685,248
Claim and administrative payments	<u>(12,364,548)</u>	<u>(12,736,248)</u>
Unpaid claims, ending	<u>\$ 1,714,000</u>	<u>\$ 1,486,000</u>

For the Commission, the medical claims liability of \$790,711 included in accounts payable and accrued expenses at June 30, 2021 is based upon the requirements of GASB 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning	\$ 780,399	\$ 831,560
Incurred claims and administrative costs	6,904,352	7,035,802
Claim and administrative payments	<u>(6,894,040)</u>	<u>(7,086,963)</u>
Unpaid claims, ending	<u>\$ 790,711</u>	<u>\$ 780,399</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 \$341 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.

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 \$776,070.

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning	\$ 776,070	\$ 570,341
Incurred claims and administrative costs	840,506	840,506
Claim and administrative payments	<u>(634,777)</u>	<u>(634,777)</u>
Unpaid claims, ending	<u>\$ 981,799</u>	<u>\$ 776,070</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, 2021, the City, including the Commission, was a defendant to various lawsuits. In the opinion of the City’s management and the City’s attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City’s financial position. During 2021, an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the City’s revenue and operations for an indeterminate time period. Other financial impacts could occur that are unknown at this time.

6. Long-Term Obligations (City)

a. Installment Purchase Contracts

The City issues debt through direct placement and public sales. Current outstanding debt includes both.

Unless otherwise noted below, the Governmental and Business-Type installment purchase agreements contain provisions which terminate the Project or Equipment Funds related to the agreements upon an event of default. Additionally, upon an event of default, the lender may require immediate payment of amounts due or exercise other available remedies, including sale of the property purchased or constructed or collection of rents from the property. The debt is secured by the equipment purchased or constructed project.

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

Governmental Activities	Governmental Funds
2012 Installment Purchase Contract, \$19,950,000 original issue to refund certain existing debt, due in semi-annual installments of \$500,000 to \$1,040,000 through 2025, plus interest at 1.59%. This debt is secured by a Deed of Trust on the buildings, improvements and fixtures purchased or constructed with the funds from the refunded debt.	\$ 3,185,000
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%	1,568,562
2013 Installment Purchase Contract, \$4,997,546 original issue for construction of a parking garage, due in semi-annual installments of \$169,292 to \$255,014 through 2029, plus interest at 3.25%. Installment amended in 2020 to change to taxable financing. Interest rate changed to 3.5% and semi-annual installments changed to \$171,784 to \$220,510.	2,674,297
2015 Installment Purchase Contract, \$2,100,000 original issue for construction and rehabilitation of gymnasium and related facilities, due in semi-annual installments of \$70,000 to \$75,000 through 2030, plus interest at 2.65%.	1,275,000
2016 Installment Purchase Contract, \$1,500,000 original issue for purchase and renovation of a public safety building, due in semi-annual installments of \$75,000 through 2027, plus interest at 1.98%.	633,923
2018 Installment Purchase Contract \$967,778 original issue for public safety software and equipment, due in semi-annual installments of \$86,054 to \$207,776 through 2024, plus interest at 3.01%	602,147
Total Governmental Activities	<u>\$ 9,938,929</u>

Business-Type Activities	Sanitation Fund
2014 Installment Purchase Contract, \$360,000 original issue for sanitation equipment, due in semi-annual installments of \$52,145 to \$56,450 through 2022, plus interest at 2.79%	51,428
2015 Installment Purchase Contract, \$425,000 original issue for sanitation equipment, due in semi-annual installments of \$61,548 to \$66,558 through 2022, plus interest at 2.75%	121,428
Total Business-Type Activity	<u>\$ 172,856</u>

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 2,069,173	\$ 234,717	\$ 2,303,890
2023	2,039,694	189,141	2,228,835
2024	2,027,303	142,281	2,169,584
2025	924,835	103,291	1,028,126
2026	724,419	79,498	803,917
2027-2030	2,153,505	115,049	2,268,554
Total	<u>\$ 9,938,929</u>	<u>\$ 863,977</u>	<u>\$ 10,802,906</u>

Year Ending June 30,	Business Type Activities		
	Principal	Interest	Total
2022	\$ 112,142	\$ 3,222	\$ 115,364
2023	60,714	835	61,549
Total	<u>\$ 172,856</u>	<u>\$ 4,057</u>	<u>\$ 176,913</u>

b. General Obligation Bonds

The City issues general obligation bonds through direct placement and public sales 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.

A summary of the City’s direct placement general obligation bonds outstanding at year end for the Governmental and Business-Type Activities is as follows:

Direct Placement General Fund Obligation Bonds	Governmental Funds	Nonmajor Enterprise Funds
Serviced by the City:		
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%. In the event of default, the interest rate will increase 4% to 5.9% until all overdue principal and interest have been paid in full.	\$ 3,226,100	\$ 1,988,899
Total Direct Placement General Obligation Bonds	<u>\$ 3,226,100</u>	<u>\$ 1,988,899</u>

Annual debt service requirements to maturity for the City’s direct placement general obligation bonds are as follows:

Year Ending June 30,	Governmental Funds			Nonmajor Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 569,999	\$ 60,122	\$ 630,121	\$ 352,001	\$ 37,590	\$ 389,591
2023	557,693	49,482	607,175	344,307	30,996	375,303
2024	546,388	39,074	585,462	336,613	24,428	361,041
2025	531,005	28,898	559,903	326,995	18,068	345,063
2026	518,699	19,014	537,713	319,301	11,888	331,189
2027	502,316	9,360	511,676	309,682	5,852	315,534
Total	<u>\$ 3,226,100</u>	<u>\$ 205,950</u>	<u>\$ 3,432,050</u>	<u>\$ 1,988,899</u>	<u>\$ 128,822</u>	<u>\$ 2,117,721</u>

A summary of the City’s public sales general obligation bonds outstanding at year end for the Governmental and Business-Type Activities is as follows:

Public Sales General Fund Obligation Bonds	Governmental Funds
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%.	\$ 1,600,000
2016 Street and Pedestrian Transportation, Series 2016, \$8,000,000 original issue due in annual installments of \$400,000 through 2036	6,400,000
2020 Street and Pedestrian Transportation, Series 2020, \$7,850,000 original issue due in annual installments of \$350,000 to \$400,000 through 2036	7,450,000
General Obligation Bonds	15,450,000
Add unamortized premium	1,301,926
Total Public Sales General Obligation Bonds	<u>\$ 16,751,926</u>

Annual debt service requirements to maturity for the City’s public sales general obligation bonds are as follows:

Year Ending June 30,	Governmental Funds		
	Principal	Interest	Total
2022	\$ 960,000	\$ 602,652	\$ 1,562,652
2023	960,000	557,853	1,517,853
2024	960,000	512,853	1,472,853
2025	960,000	467,652	1,427,652
2026	960,000	422,213	1,382,213
2027-2031	4,800,000	1,447,063	6,247,063
2032-2036	4,000,000	569,313	4,569,313
2037-2038	1,850,000	94,624	1,944,624
Total	<u>\$ 15,450,000</u>	<u>\$ 4,674,223</u>	<u>\$ 20,124,223</u>

c. Special Obligation Revenue Bonds

The City has also issued direct placement revenue bonds and pledges the income derived from the acquired or constructed assets to pay debt service. The City has executed a trust agreement to secure the bonds with all pledged revenues and certain money and securities held by or on behalf of the Trustee.

A summary of the City’s direct placement special obligation revenue bonds is as follows:

Direct Placement Special Obligation Revenue Bonds	Governmental Funds
Serviced by the City:	
2015 Refunding Special Obligation Revenue Bonds \$4,200,000 original issue for additional improvements to the Exhibit Hall, due in annual installments of \$20,000 to \$663,398 through 2027, plus interest at 3.25%.	3,680,000
Total Direct Placement Special Obligation Bonds	<u>\$ 3,680,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 565,358	\$ 119,600	\$ 684,958
2023	583,732	101,226	684,958
2024	602,704	82,255	684,959
2025	622,292	62,667	684,959
2026	642,516	42,442	684,958
2027	663,398	21,560	684,958
Total	<u>\$ 3,680,000</u>	<u>\$ 429,750</u>	<u>\$ 4,109,750</u>

The City has pledged net occupancy tax revenues and other replacement revenues to repay these direct placement revenue bonds, of which \$3,680,000 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 \$4,109,750. Principal and interest paid for the current year bonds, debt service revenues from occupancy tax, and total occupancy tax were \$740,126, \$813,723, and \$1,051,795, respectively.

d. 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 promissory note for the City’s CWSRF loan contains a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rates and charges to adequately provide for the proper operation, maintenance and administration of the project and for repayment of all principal and interest when due. The note is payable solely from the revenues of the project or benefited systems or other available funds

The City’s CWSRF loan outstanding at year-end is as follows:

Description	Amount
0.93% Clean Water State Revolving Fund loan issued in 2018 to finance construction/ rehabilitation of a stormwater treatment/collection system, \$32,620,172 authorized, \$26,226,660 drawn to date, and \$2,028,210 additional costs incurred to date, due in annual installments of \$1,631,009, with a final payment on May 1, 2040.	\$ 28,673,822
Total Other Debt	<u>\$ 28,673,822</u>

Annual debt service requirements to maturity for the City's Clean Water State Revolving Fund loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,631,008	\$ 288,199	\$ 1,919,207
2023	1,631,009	273,031	1,904,039
2024	1,631,009	257,862	1,888,871
2025	1,631,009	242,694	1,873,703
2026	1,631,009	227,526	1,858,534
2027-2031	8,155,043	910,103	9,065,146
2032-2036	8,155,043	530,893	8,685,936
2037-2040	6,524,034	151,684	6,675,718
Total	<u>\$ 30,989,162</u>	<u>\$ 2,881,993</u>	<u>\$ 33,871,155</u>

e. 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, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
Governmental Activities					
Public sales general obligation bonds	\$ 16,410,000	\$ -	\$ 960,000	\$ 15,450,000	\$ 960,000
Direct Placement:					
General obligation bonds	3,796,401	1,645,000	2,215,301	3,226,100	562,999
Special obligation revenue	4,295,000	-	615,000	3,680,000	565,358
Installment purchase contracts	12,028,079	-	2,089,150	9,938,929	2,069,173
Net pension liability (LGERS)	16,255,225	4,866,845	-	21,122,070	-
Total pension liability (LEO)	8,202,185	3,127,485	-	11,329,670	-
Net OPEB liability	45,621,226	44,553,098	-	90,174,324	-
Compensated absences	3,256,900	2,768,365	2,134,827	3,890,438	2,723,307
	<u>109,865,016</u>	<u>56,960,793</u>	<u>8,014,278</u>	<u>158,811,531</u>	<u>\$ 6,880,837</u>
Add unamortized premium	1,356,283	-	54,357	1,301,926	
Total governmental	<u>\$ 111,221,299</u>	<u>\$ 56,960,793</u>	<u>\$ 8,068,635</u>	<u>\$ 160,113,457</u>	
Business-Type Activities					
Managed by the City Direct Placement:					
General obligation bonds	\$ 2,373,599	\$ -	\$ 384,700	\$ 1,988,899	\$ 384,700
Installment purchase contracts	330,003	-	159,030	170,973	112,142
Notes Payable	28,254,870	2,049,961	1,631,009	28,673,822	1,631,008
Net pension liability (LGERS)	1,524,170	470,967	-	1,995,137	-
Net OPEB liability	4,227,142	4,441,377	-	8,668,519	-
Compensated absences	196,427	156,656	114,304	238,779	167,145
Total	<u>36,906,211</u>	<u>7,118,961</u>	<u>2,289,043</u>	<u>41,736,129</u>	<u>2,294,995</u>
Managed by the Commission					
Direct placement revenue bonds	6,185,000	-	4,975,000	1,210,000	1,210,000
Public sales revenue bonds	107,760,001	28,354,999	3,425,000	132,690,000	5,490,000
Other types of debt	34,785,641	15,560,203	30,154,028	20,191,816	319,272
Discounts and premiums	15,187,467	5,929,092	605,762	20,510,797	-
Compensated absences	2,574,551	2,133,127	1,698,491	3,009,187	1,537,348
Net OPEB liability	54,362,791	(22,215,135)	-	32,147,656	-
Net pension liability (LGERS)	12,262,658	3,456,842	-	15,719,500	-
Total long-term liabilities	<u>233,118,109</u>	<u>33,219,128</u>	<u>40,858,281</u>	<u>225,478,956</u>	<u>8,556,620</u>
Total business-type	<u>\$ 270,024,320</u>	<u>\$ 40,338,089</u>	<u>\$ 43,147,324</u>	<u>\$ 267,215,085</u>	<u>\$ 10,851,615</u>

The net pension obligation typically has been liquidated by the General Fund. Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

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 \$54,788,105 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 19% of net revenues, or less than 3% of total revenues. The total principal and interest remaining to be paid on the bonds is \$85,298,797. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$4,389,146, \$21,215,553, and \$177,654,586, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 429,048
	<u>\$ 429,048</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 429,048	\$ 5,385	\$ 434,433
Total	<u>\$ 429,048</u>	<u>\$ 5,385</u>	<u>\$ 434,433</u>

Public sales revenue bonds outstanding at year-end are as follows:

Description	Amount
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.	\$ 21,229,905
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.	751,403
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.	2,996,065
Series 2019 Revenue Bonds with an original issue amount of \$27,092,783, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044.	27,092,783
Series 2021A Revenue Bonds with an original issue amount of \$2,288,901, issued to refund the 2013 refunding revenue bonds, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2027	2,288,901
	<u>\$ 54,359,057</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,576,117	\$ 2,305,510	\$ 3,881,627
2023	1,654,211	2,249,277	3,903,488
2024	1,765,943	2,164,965	3,930,908
2025	1,880,003	2,075,135	3,955,138
2026	2,006,505	1,979,464	3,985,969
2027-2031	9,407,846	8,444,737	17,852,583
2032-2036	11,121,450	5,927,625	17,049,075
2037-2041	12,167,550	3,920,918	16,088,468
2042-2046	12,779,432	1,437,676	14,217,108
Total	<u>\$ 54,359,057</u>	<u>\$ 30,505,307</u>	<u>\$ 84,864,364</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, 2021 was approximately \$46.3 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.

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 \$21,760,495 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 36% of net revenues or less than 10% of total revenues. The total principal and interest remaining to be paid on the bonds is \$32,132,932. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,851,705, \$5,845,158, and \$23,583,527, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year-end are as follows:

Description	Amount
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	\$ 186,439
	<u>\$ 186,439</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 186,439	\$ 2,340	\$ 188,779
Total	<u>\$ 186,439</u>	<u>\$ 2,340</u>	<u>\$ 188,779</u>

Public sales revenue bonds outstanding at year-end for the Commission’s Water Fund are as follows:

Description	Amount
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.	\$ 2,099,756
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.	390,706
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.	6,536,842
Series 2019 Revenue Bonds with an original issue amount of \$8,206,842, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044.	8,206,842
Series 2021A Revenue Bonds with an original issue amount of \$1,919,268, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on May 1, 2041	1,919,268
Series 2021A Revenue Bonds with an original issue amount of \$1,433,497, issued to refund the Drinking Water State Revolving Fund (DWSRF) loan #H-LRX-F-04-991, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	1,433,497
Series 2021A Revenue Bonds with an original issue amount of \$25,175, issued to refund the DWSRF loan #H-LRX-R-DW-991, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	25,175
Series 2021A Revenue Bonds with an original issue amount of \$226,450, issued to refund the DWSRF loan #H-LRX-R-DW-1074, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2033	226,450
Series 2021A Revenue Bonds with an original issue amount of \$101,271, issued to refund the DWSRF loan #DEH-1108, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	101,271
Series 2021A Revenue Bonds with an original issue amount of \$634,249, issued to refund the DWSRF loan #DEH-1074, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2033	634,249
	<u>\$ 21,574,056</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 993,656	\$ 967,718	\$ 1,961,374
2023	1,020,776	947,755	1,968,531
2024	991,688	896,231	1,887,919
2025	1,040,863	846,183	1,887,046
2026	1,101,724	793,633	1,895,357
2027-2031	5,773,877	3,117,964	8,891,841
2032-2036	4,777,523	1,614,261	6,391,784
2037-2041	3,223,500	901,162	4,124,662
2042-2046	2,650,449	285,190	2,935,639
Total	<u>\$ 21,574,056</u>	<u>\$ 10,370,097</u>	<u>\$ 31,944,153</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 promissory notes for the Commission’s DWSRF loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rates and charges to adequately provide for the proper operation, maintenance and administration of the project and for repayment of all principal and interest when due. The notes are payable solely from the revenues of the project or benefited systems or other available funds.

The Commission’s drinking water loans outstanding at year-end are as follows:

Description	Amount
1.53% Drinking Water State Revolving Fund loan issued in 2018 to finance the rehabilitation and/or replacement of cast-iron water lines, \$1,176,457 authorized and \$1,176,457 drawn to date, due in annual installments of \$58,823 with a final payment on May 1, 2038.	\$ 999,988
1.110% Drinking Water State Revolving Fund loan issued in 2021 to finance to finance improvements to the water treatment plant, \$40,000,000 authorized and \$15,560,203 drawn to date, due in annual installments of \$778,010 with a final payment on May 1, 2043	15,560,203
	<u>\$ 16,560,191</u>

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
2022	\$ 58,823	\$ 15,300	\$ 74,123
2023	58,823	14,400	73,223
2024	836,833	112,399	949,232
2025	836,833	176,682	1,013,515
2026	836,833	167,146	1,003,979
2027-2031	4,184,165	692,693	4,876,858
2032-2036	4,184,165	454,295	4,638,460
2037-2041	4,007,696	218,598	4,226,294
2042-2043	1,556,020	25,908	1,581,928
Total	<u>\$ 16,560,191</u>	<u>\$ 1,877,421</u>	<u>\$ 18,437,612</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 promissory notes for the Commission’s ARRA loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rates and charges to adequately provide for the proper operation, maintenance and administration of the project and for repayment of all principal and interest when due. The notes are payable solely from the revenues of the project or benefited systems or other available funds.

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.	\$ 661,984
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.	11,196
	<u>\$ 673,180</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 74,673	\$ -	\$ 74,673
2023	74,673	-	74,673
2024	74,673	-	74,673
2025	74,673	-	74,673
2026	74,673	-	74,673
2027-2031	299,815	-	299,815
Total	<u>\$ 673,180</u>	<u>\$ -</u>	<u>\$ 673,180</u>

c. Debt Serviced by the Sewer Fund

1. Revenue Bonds

The Commission issues revenue bonds to provide financing for extension, expansion, and improvement projects within the Sewer Fund. The Commission has pledged future sewer customer revenues and other unrestricted revenues including revenues of the Electric, Water, and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$39,761,960 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 56% of net revenues, or less than 19% of total revenues. The total principal and interest remaining to be paid on the bonds is \$55,200,310. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,106,890, \$7,969,539, and \$24,632,756, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year-end for the Commission’s Sewer Fund are as follows:

Description	Amount
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.	\$ 238,882
	<u>\$ 238,882</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	238,882	2,998	241,880
Total	<u>\$ 238,882</u>	<u>\$ 2,998</u>	<u>\$ 241,880</u>

Public sales revenue bonds outstanding at year-end for the Commission’s Sewer Fund are as follows:

Description	Amount
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.	\$ 4,417,530
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.	1,162,891
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.	5,967,047
Series 2019 Revenue Bonds with an original issue amount of \$8,206,842, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044.	6,799,917
Series 2021A Revenue Bonds with an original issue amount of \$1,264,719, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on May 1, 2041.	1,264,719
Series 2021A Revenue Bonds with an original issue amount of \$5,171,136, issued to refund the Clean Water State Revolving Fund (CWSRF) Loan #CS370487-06, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030.	5,171,136
Series 2021A Revenue Bonds with an original issue amount of \$4,003,742, issued to refund the CWSRF Loan #CS370487-08, due in annual installments with varying interest rates from 4.0 to 5.0%, final payment will be made on May 1, 2032.	4,003,742
Series 2021A Revenue Bonds with an original issue amount of \$6,712,369, issued to refund the CWSRF Loan #CS370487-07, due in annual installments with varying interest rates from 4.0 to 5.0%, final payment will be made on May 1, 2033.	6,712,369
Series 2021A Revenue Bonds with an original issue amount of \$4,023,727, issued to refund the CWSRF Loan #CS370487-11, due in annual installments with varying interest rates from 3.0 to 5.0%, final payment will be made on May 1, 2037.	4,023,727
	<u>\$ 39,523,078</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,481,823	\$ 1,753,693	\$ 4,235,516
2023	2,491,379	1,686,145	4,177,524
2024	2,518,503	1,561,147	4,079,650
2025	2,599,817	1,434,864	4,034,681
2026	2,693,904	1,304,454	3,998,358
2027-2031	12,840,353	4,539,038	17,379,391
2032-2036	7,448,983	1,870,919	9,319,902
2037-2041	3,497,570	955,839	4,453,409
2042-2046	2,950,746	329,226	3,279,972
Total	<u>\$ 39,523,078</u>	<u>\$ 15,435,325</u>	<u>\$ 54,958,403</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 promissory notes for the Commission’s CWSRF loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rates and charges to adequately provide for the proper operation, maintenance and administration of the project and for repayment of all principal and interest when due. The notes are payable solely from the revenues of the project or benefited systems or other available funds

The Commission’s CWSRF loans outstanding at year-end are as follows:

Description	Amount
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 \$1,997,429 drawn to date, due in annual installments of \$99,871, with a final payment on May 1, 2036.	1,498,072
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 \$1,718,086 drawn to date, due in annual installments of \$85,904, with a final payment on May 1, 2038.	1,460,383
	<u>\$ 2,958,455</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 185,776	\$ 24,242	\$ 210,018
2023	185,776	22,816	208,592
2024	185,776	21,390	207,166
2025	185,776	19,964	205,740
2026	185,776	18,538	204,314
2027-2031	928,878	71,301	1,000,179
2032-2036	928,878	35,650	964,528
2037-2038	171,809	4,278	176,087
Total	<u>\$ 2,958,445</u>	<u>\$ 218,179</u>	<u>\$ 3,176,624</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, 2020, \$454,144 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 \$151,381, with a final principal payment on May 1, 2023.”

Annual debt service requirements to maturity for the Commission’s Sewer Fund inter-local agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 151,381	\$ 73,227	\$ 224,608
2023	151,382	91,529	242,911
2024	151,382	91,529	242,911
Total	<u>\$ 454,145</u>	<u>\$ 256,285</u>	<u>\$ 710,430</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 \$17,578,440 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues, or less than 5% of total revenues. The total principal and interest remaining to be paid on the bonds is \$27,468,974. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,588,950, \$7,455,106, and \$33,611,407, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year-end for the Commission’s Gas Fund are as follows:

Description	Amount
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.	355,631
	<u>\$ 355,631</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	355,631	4,463	360,094
Total	<u>\$ 355,631</u>	<u>\$ 4,463</u>	<u>\$ 360,094</u>

Public sales revenue bonds outstanding at year-end for the Commission’s Gas Fund are as follows:

Description	Amount
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.	\$ 9,597,810
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.	550,046
Series 2019 Revenue Bonds with an original issue amount of \$6,535,458, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044.	6,535,458
Series 2021A Revenue Bonds with an original issue amount of \$550,495, issued to refund the 2013 refunding revenue bonds, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2037.	550,495
	<u>\$ 17,233,809</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 438,403	\$ 720,883	\$ 1,159,286
2023	458,634	705,998	1,164,632
2024	488,866	682,680	1,171,546
2025	519,317	657,867	1,177,184
2026	552,867	631,498	1,184,365
2027-2031	2,902,925	2,729,635	5,632,560
2032-2036	3,527,044	1,948,346	5,475,390
2037-2041	4,001,380	1,296,006	5,297,386
2042-2046	4,344,373	502,158	4,846,531
Total	<u>\$ 17,233,809</u>	<u>\$ 9,875,071</u>	<u>\$ 27,108,880</u>

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, 2021 is as follows:

Operating revenues	\$ 257,057,205
Operating expenses ⁽¹⁾	(214,571,849)
Operating income	42,485,356
Nonoperating revenues:	
Miscellaneous revenues ⁽²⁾	1,783,280
Interest income ⁽²⁾	641,791
Income available for debt service	\$ 44,910,427
Parity debt service (principal and interest paid)	\$ 9,936,691
Parity debt service coverage ratio	452%
Subordinate and other debt service (principal and interest paid)	\$ 3,723,072
Subordinate and other debt service coverage ratio	939%

⁽¹⁾ In accordance with rate covenants, operating expenses excludes depreciation expense of \$26,197,692; unfunded OPEB expense of (\$1,186,976); and pension expense and expenditures of \$2,130,129.

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

C. Interfund Balances and Activity

1. Due to/From Other Funds

Balances due to/from other funds at June 30, 2021 consist of the following:

Receivable Fund	Payable Fund								Total
	General Fund	Nonmajor Governmental	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Nonmajor Enterprise	Internal Service Funds	
General Fund	\$ -	\$ 1,240,029	\$ 43,579	\$ 8,626	\$ 6,909	\$ 2,224	\$ 584,103	\$ 612,525	\$ 2,497,995
Nonmajor Governmental	-	-	-	-	-	-	-	-	-
Nonmajor Enterprise	-	-	-	-	-	-	-	-	-
Internal Service Funds	-	-	42,755	-	-	-	-	-	42,755
Total	\$ -	\$ 1,240,029	\$ 86,334	\$ 8,626	\$ 6,909	\$ 2,224	\$ 584,103	\$ 612,525	\$ 2,540,750

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

2. Interfund Transfers

Transfers to/from other funds at June 30, 2021 consist of the following:

Governmental activities:

Transfers within governmental activities:	
From the General Fund to the Central Grants Fund for local match to Shotspotter Project	\$ 32,107
From the General Fund to the Capital Reserve Fund for various capital projects	2,205,587
From the General Fund to the Fleet Maintenance Fund for fleet maintenance operating deficit	1,255,493
From the General Fund to the Public Works Capital Projects Fund for the Street Lights/Cameras Project	250,000
From the General Fund to the Public Works Capital Projects Fund for Parking Deck Improvements	135,000
From the General Fund to the Public Works Capital Projects Fund for the Imperial Site Demolition	9,286
From the General Fund to the Public Works Capital Projects Fund for the Street Improvement Program	2,500,000
From the General Fund to the Information Technology Capital Projects Fund for IT infrastructure upgrades	825,000
From the General Fund to the Community Development and HOME Fund for grant local match	328,695
From the General Fund to the Debt Service Fund for debt service payments	5,199,820
From the General Fund to the Sheppard Memorial Library Fund for share of operating funding	1,347,300
From the General Fund to the Sheppard Memorial Library Fund for facility infrastructure improvements	60,000
From the Facilities Improvement Fund to the Sheppard Memorial Library Fund for facility infrastructure improvements	140,000
From the General Fund to the Facilities Improvement Program for noncapital projects	1,050,000
From the General Fund to the Recreation and Parks Capital Projects Fund for the Community Pool Construction	350,000
From the General Fund to the Recreation and Parks Capital Projects Fund for Wildwood Park Development	511,000
From the General Fund to the Recreation and Parks Capital Projects Fund for the Eppes Facility Renovation	136,466
From the General Fund to the Recreation and Parks Capital Projects Fund for Tar River Trail Development	225,000
From the General Fund to the Recreation and Parks Capital Projects Fund for Bayswater Park Improvements	45,000
From the Debt Service Fund to the Occupancy Tax Fund for consolidation of occupancy tax reserves	1,203,510
From the Public Works Capital Project Fund to the Occupancy Tax Fund for consolidation of occupancy tax reserves	1,866,866
From the Recreation and Parks Capital Projects Fund to Central Grants Fund for local match to NC Municipal Grant	24,383
From the Public Works Capital Projects Fund to the Facility Improvement Program convention Center upgrades	300,000
From the General Fund to the Engineering Capital Projects Fund for the BUILD Grant Project	600,000
From the Street and Pedestrian Bond Fund to the Engineering Capital Projects Fund for the BUILD Grant Project	2,555,921
From the Capital Reserve Fund to the Engineering Capital Projects Fund for the BUILD Grant Project	2,016,882
From the Capital Reserve Fund to the Public Works Capital Projects Fund for Dickinson Avenue Parking Lot construction	1,600,751
Subtotal Transfers Within Governmental Activities	<u>26,774,067</u>
Business-type activities:	
Transfers to Governmental Activities	
From the Electric Fund to the General Fund	4,834,992
From the Gas Fund to the General Fund	<u>1,665,149</u>
Subtotal Transfers to Governmental Activities	<u>6,500,141</u>
Total transfers	<u>\$ 33,274,208</u>

D. Net Investment in Capital Assets

At June 30, 2021, net investment in capital assets was computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 219,767,759	\$ 518,806,964
Less capital debt:		
Gross debt	32,295,029	207,753,526
Less:		
Unamortized bond refunding charges	(395,384)	(1,227,491)
Unexpended debt proceeds	<u>(3,853,253)</u>	<u>(5,330,839)</u>
Net capital debt	<u>28,046,392</u>	<u>201,195,196</u>
Capital assets, net of related debt	<u>\$ 191,721,367</u>	<u>\$ 317,611,768</u>

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, 2021 was approximately \$46.3 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 \$85,676 to the Airport Authority during the fiscal year ended June 30, 2021. The City has a 50% equity interest in the joint venture; therefore, an equity interest of \$30,195,154 has been reflected in the government-wide financial statements at June 30, 2021. Complete financial statements for the Airport Authority

can be obtained from the Airport Authority's Administrative Office at Airport Road, P.O. Box 671, Greenville, North Carolina, 27835.

VI. Related Organization

Greenville Housing Authority. The Mayor appoints the seven-member Board of the Greenville Housing Authority. The City's accountability does not extend beyond making these appointments.

VII. Summary Disclosure of Significant Contingencies

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, 2021, the City and the Commission had no arbitrage liabilities.

IX. Natural Gas Contracts (Commission)

On November 1, 2005, the Utilities Commission entered into an agreement with Piedmont Natural Gas (PNG) that allows the Utilities 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 Utilities 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 Utilities Commission may be allowed to exceed its MDQ to accommodate interruptible demand as capacity is available. At the end of the original contract term, the agreement automatically renews for additional terms of one year each unless terminated by either party.

The Utilities Commission secures its natural gas supplies through various marketers and uses marketing firms to buy and sell natural gas contracts on its behalf. We typically enter into contracts whereby we purchase and fix a portion of our gas supply in advance. At June 30, 2021, we have commitments to take delivery on a total of 1,090,000 dekatherms at fixed prices ranging from \$2.581 to \$3.628 per dekatherm and in varying amounts from July 2021 through March 2023. In addition, we have commitments to take delivery on 2,112,700 additional dekatherms during the period July 2021 through March 2023, for which we have not yet fixed a price.

The Utilities Commission entered a 15-year agreement with Patriots Energy Group (PEG), effective February 1, 2007 to purchase 20 percent of the Utilities Commission's firm volumes (2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be between \$0.42 and \$0.47 per dekatherm and pays a fee of \$0.015 per dekatherm to PEG to cover the administrative costs of the agreement.

The Utilities Commission entered a 30-year agreement with The Black Belt Energy Gas District (Black Belt Energy), effective March 1, 2018 to purchase 40 percent of Utilities 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 Utilities 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 Utilities 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 Utilities Commission delivered a remarking election.

The Utilities Commission entered into two 30-year agreements with Public Energy Authority of Kentucky (PEAK), effective December 4, 2018, and February 14, 2019, respectively, to purchase approximately 12 percent of Utilities Commission's total volumes (500 dekatherms per day through January 2022, then 500 dekatherms per day during the summer period, April to October, and 2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be \$0.3875 per dekatherm during the initial reset period from July 1, 2019 to April 30, 2025 and pays a fee of \$0.03 per dekatherm to Public Energy Authority of Kentucky to cover the administrative costs of the agreement. The Utilities 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 \$0.23 per dekatherm, excluding any period for which the Utilities Commission delivered a remarking election. In addition, the Utilities Commission may elect to remarket the commodity in the event of a loss of load on its system.

X. Significant effects of subsequent events

Management has evaluated subsequent events through January 13, 2022, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. Subsequent to June 30, 2021, Burlington Housing Authority proposed to issue \$53 million of multifamily housing revenue bonds, a portion of which will be used to finance the acquisition and rehabilitation of Glendale Court Apartments. The City will have no liability for payments of principal or interest for this conduit debt.

XI. Summary disclosure of significant contingencies

Coronavirus "COVID-19" - As a result of the continued impact of COVID-19 in 2021, economic uncertainties persist, which are likely to negatively impact operating results of the City through the next fiscal year. These uncertainties include, but are not limited to, volatility in sales taxes, and other sources of revenue. We are continuing to take a conservative approach to spending and believe that this in conjunction with our reserve, unrestricted fund balances, and future receipt of ARPA grant funding are sufficient to continue operations. However, we acknowledge that the full financial impact cannot be reasonably estimated at this time.





REQUIRED
SUPPLEMENTARY
INFORMATION



**Schedule of Changes In Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information**

Schedule A-1

Last Five Fiscal Years

	2021	2020	2019	2018	2017
Beginning balance	\$ 8,202,185	\$ 7,938,326	\$ 8,183,588	\$ 7,771,117	\$ 7,753,711
Service cost	338,444	301,687	320,485	288,930	307,042
Interest on the total pension liability	258,548	279,823	251,390	291,196	270,090
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	126,730	(44,369)	(65,436)	(170,442)	-
Changes of assumptions or other inputs	2,946,271	228,465	(295,308)	457,133	(183,415)
Benefit payments	(542,508)	(501,747)	(456,393)	(454,346)	(376,311)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 11,329,670</u>	<u>\$ 8,202,185</u>	<u>\$ 7,938,326</u>	<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**

Schedule A-2

Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 11,329,670	\$ 8,202,185	\$ 7,938,326	\$ 8,183,588	\$ 7,771,117
Covered payroll	11,725,672	11,362,564	11,017,389	11,182,894	11,278,574
Total pension liability as a percentage of covered payroll	96.62%	72.19%	72.05%	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

Schedule A-3

Last Four Fiscal Years*

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 975,391	\$ 942,406	\$ 1,079,252	\$ 1,078,017
Interest	3,862,964	3,665,850	3,943,651	3,727,873
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	8,647,895	688,970	(7,266,807)	949,354
Changes of assumptions	39,260,834	-	778,315	-
Benefit payments	(2,288,605)	(2,667,610)	(2,343,838)	(2,990,633)
Net change in total OPEB liability	50,458,479	2,629,616	(3,809,427)	2,764,611
Total OPEB liability, beginning of year	56,310,153	53,680,537	57,489,964	54,725,353
Total OPEB liability, end of year	106,768,632	56,310,153	53,680,537	57,489,964
Plan Fiduciary Net Position:				
Contributions - employer	3,088,605	3,367,610	2,943,838	3,490,633
Net investment income	664,006	156,899	189,904	181,481
Benefit payments	(2,288,605)	(2,667,610)	(2,343,838)	(2,990,633)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	1,464,006	856,899	789,904	681,481
Plan fiduciary net position, beginning of year	6,461,785	5,604,886	4,814,982	4,133,501
Plan fiduciary net position, end of year	7,925,791	6,461,785	5,604,886	4,814,982
City's net OPEB liability - end of year	\$ 98,842,841	\$ 49,848,368	\$ 48,075,651	\$ 52,674,982
Plan fiduciary net position as a percentage of the total OPEB liability	7.42%	11.48%	10.44%	8.38%
Covered payroll	\$ 37,258,144	\$ 37,679,335	\$ 37,679,335	\$ 38,523,575
City's net OPEB liability as a percentage of payroll	265.29%	132.30%	127.59%	136.73%

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.

**Schedule of Contributions (OPEB) – City
Required Supplementary Information**

Schedule A-4

Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 4,624,269	\$ 4,624,269	\$ 4,751,289	\$ 4,751,289	\$ 3,694,097
Contributions in relation to the actuarially determined contribution	3,088,605	3,367,610	2,943,838	3,490,633	1,895,412
Contribution deficiency (excess)	<u>\$ 1,535,664</u>	<u>\$ 1,256,659</u>	<u>\$ 1,807,451</u>	<u>\$ 1,260,656</u>	<u>\$ 1,798,685</u>
Covered payroll	\$ 37,258,144	\$ 37,679,335	\$ 37,679,335	\$ 38,523,575	\$ 38,523,575
Contributions as a percentage of covered payroll	8.29%	8.94%	7.81%	9.06%	4.92%

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	25 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.50%
Salary increases, including wage inflation:	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.50%
Healthcare cost trends:	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
Mortality	Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGRS experience and generational mortality improvements using Scale MP-2015

**Schedule Of Investment Returns (OPEB) - City
Required Supplementary Information
Last Four Fiscal Years**

Schedule A-5

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	3.50%	7.00%	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**

Schedule A-6

Last Five Fiscal Years

	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service cost	1,479,356	\$ 1,163,959	\$ 781,098	\$ 1,035,590	\$ 1,146,045
Interest	2,002,347	2,071,547	2,212,486	2,051,825	1,930,674
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience	2,384,719	863,252	(623,845)	518,960	-
Changes of assumptions	(24,518,333)	6,344,926	11,477,272	(7,046,562)	(3,865,249)
Benefit payments	(1,815,244)	(2,186,125)	(2,031,176)	(1,692,179)	(1,442,003)
Net change in total OPEB liability	(20,467,155)	8,257,559	11,815,835	(5,132,366)	(2,230,533)
Total OPEB liability, beginning of year	59,619,861	51,362,302	39,546,467	44,678,833	46,909,366
Total OPEB liability, end of year	39,152,706	59,619,861	51,362,302	39,546,467	44,678,833
Plan Fiduciary Net Position:					
Contributions - employer	2,315,244	2,686,125	2,531,176	2,192,179	1,942,003
Contributions - nonemployer		-	-	-	-
Contributions - active members		-	-	-	-
Net investment income	1,247,980	162,374	-	237,188	321,437
Benefit payments		-	206,816	(1,692,179)	(1,442,003)
Administrative expense	(1,815,244)	(2,186,125)	(2,031,176)	-	-
Net change in plan fiduciary net position	1,747,980	662,374	706,816	737,188	821,437
Plan fiduciary net position, beginning of year	5,257,070	4,594,696	3,887,880	3,150,692	2,329,255
Plan fiduciary net position, end of year	7,005,050	5,257,070	4,594,696	3,887,880	3,150,692
Commission's net OPEB liability - end of year	<u>\$ 32,147,656</u>	<u>\$ 54,362,791</u>	<u>\$ 46,767,606</u>	<u>\$ 35,658,587</u>	<u>\$ 41,528,141</u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.89%	8.82%	8.95%	9.83%	7.05%
Covered payroll	\$ 30,124,132	\$ 27,975,147	\$ 27,975,147	\$ 26,006,154	\$ 26,006,154
Commission's net OPEB liability as a percentage of covered payroll	106.72%	194.33%	167.18%	137.12%	159.69%

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

**Schedule of Contributions (OPEB) – Greenville Utilities Commission
Required Supplementary Information**

Schedule A-7

Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 2,690,316	\$ 2,690,316	\$ 2,590,104	\$ 2,590,104	\$ 2,070,367
Contributions in relation to the actuarially determined contribution	2,315,244	2,686,125	2,531,176	2,192,179	1,942,003
Contribution deficiency (excess)	\$ 375,072	\$ 4,191	\$ 58,928	\$ 397,925	\$ 128,364
Covered payroll	\$ 30,124,131	\$ 27,975,147	\$ 27,975,147	\$ 26,006,154	\$ 26,006,154
Contributions as a percentage of covered payroll	7.69%	9.60%	9.05%	8.43%	7.47%

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	26 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation:	
General Employees	3.25% - 8.41%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Healthcare cost trends:	
Pre-Medicare	7.25% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

**Schedule Of Investment Returns (OPEB) - Greenville Utilities Commission
Required Supplementary Information**

Schedule A-8

Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expense	21.92%	3.23%	4.67%	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**

Schedule A-9

Last Six Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset) (%)	0.64692%	0.65104%	0.63541%	0.66379%	0.67269%	0.70987%	0.73849%
City's proportion of the net pension liability (asset) (\$)	\$23,117,207	\$17,779,395	\$15,074,099	\$10,140,873	\$14,276,735	\$ 3,185,854	\$ (4,355,215)
City's covered payroll	\$42,712,939	\$42,052,061	\$39,064,405	\$38,168,808	\$37,116,150	\$ 37,825,656	\$ 37,985,393
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	54.12%	42.28%	38.59%	26.57%	38.47%	8.42%	(11.47%)
Plan fiduciary net position as a percentage of the total pension liability	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

* 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 Seven Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,313,612	\$ 3,322,792	\$ 3,322,792	\$ 3,025,328	\$ 2,865,867	\$ 2,573,343	\$ 2,684,845
Contributions in relation to the contractually required contribution	<u>4,313,612</u>	<u>3,322,792</u>	<u>3,322,792</u>	<u>3,025,328</u>	<u>2,865,867</u>	<u>2,573,343</u>	<u>2,684,845</u>
Contribution deficiency (excess)	<u>\$-"</u>	<u>\$-"</u>	<u>\$-"</u>	<u>\$-"</u>	<u>\$-"</u>	<u>\$-"</u>	<u>\$-"</u>
City’s covered payroll	\$ 40,968,359	\$ 42,712,939	\$ 42,052,061	\$ 39,064,405	\$ 38,168,808	\$ 37,116,150	\$ 37,825,656
Contributions as a percentage of covered payroll	10.53%	7.78%	7.90%	7.74%	7.51%	6.93%	7.10%

* 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**

Schedule A-11

Last Seven Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset) (%)	0.43990%	0.44903%	0.46245%	0.45082%	0.44240%	0.41892%	0.42068%
Proportion of the net pension liability (asset) (\$)	\$15,719,500	\$12,262,658	\$10,970,895	\$ 6,887,281	\$ 9,389,210	\$ 1,880,088	\$ (2,480,943)
Covered payroll	\$31,832,516	\$30,987,547	\$30,312,540	\$29,774,064	\$26,489,847	\$ 25,315,352	\$ 24,852,254
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.38%	39.57%	36.19%	23.13%	35.44%	7.43%	(9.98%)
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

* 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 Seven Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,303,677	\$ 2,843,296	\$ 2,481,599	\$ 2,345,337	\$ 2,158,620	\$ 1,782,767	\$ 1,789,817
Contributions in relation to the contractually required contribution	3,303,677	2,843,296	2,481,599	2,345,337	2,158,620	1,782,767	1,789,817
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission’s covered payroll	\$32,548,540	\$31,832,516	\$30,987,547	\$30,312,540	\$29,774,064	\$26,489,847	\$25,315,352
Contributions as a percentage of covered payroll	10.15%	8.93%	8.01%	7.74%	7.25%	6.73%	7.07%

* 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.





OTHER
SUPPLEMENTARY
INFORMATION



Schedule of Ad Valorem Taxes Receivable Other Supplementary Information

Schedule A-13

June 30, 2021

Fiscal Year	Balance June 30, 2020	Additions	Collections and Credits	Balance June 30, 2021
2021-2020	\$ -	\$ 38,694,891	\$ 38,612,645	\$ 82,246
2020-2019	97,620	-	57,427	40,193
2019-2018	39,149	-	10,828	28,321
2018-2017	28,761	-	4,753	24,008
2017-2016	22,134	-	3,231	18,903
2016-2015	18,051	-	2,530	15,521
2015-2014	13,882	-	2,386	11,496
2014-2013	34,569	-	9,779	24,790
2013-2012	49,083	-	15,688	33,395
2012-2011	44,360	-	16,760	27,600
2011-2010	37,312	-	37,312	-
	\$ 384,921	\$ 38,694,891	\$ 38,773,339	306,473
Less Allowance for uncollectible accounts - General Fund				59,666
Ad Valorem Taxes Receivable, Net - General Fund				\$ 246,807
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$ 38,707,498
Reconciling Items:				
Amount written off per statute				(5,315)
Interest collected				(105,404)
Tax Refunds				-
Discounts				-
Miscellaneous				176,560
Total collections and credits				\$ 38,773,339

Analysis of Current Tax Levy – City-Wide Levy
Other Supplementary Information
Year Ended June 30, 2021

Schedule A-14

	City-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,921,023,660	0.4945	\$ 39,169,462	\$ 33,543,752	\$ 5,625,710
Penalties	-		16,637	16,637	-
Total	<u>7,921,023,660</u>		<u>39,186,099</u>	<u>33,560,389</u>	<u>5,625,710</u>
Discoveries:					
Current year taxes	35,853,792	0.4945	177,297	177,297	-
Penalties	-		861	861	-
Total	<u>35,853,792</u>		<u>178,158</u>	<u>178,158</u>	<u>-</u>
Abatements	(135,362,184)		(669,366)	(669,366)	-
Total property valuation	<u>\$ 7,821,515,268</u>				
Net levy			38,694,891	33,069,181	5,625,710
Uncollected taxes as of June 30, 2019			(82,246)	(82,246)	-
Current year's taxes collected			<u>\$ 38,612,645</u>	<u>\$ 32,986,935</u>	<u>\$ 5,625,710</u>
Current levy collection percentage			99.79%	99.75%	100.00%
Prior year collection percentage			99.73%	99.66%	100.00%





GOVERNMENTAL FUND FINANCIAL STATEMENT



General Fund

Schedule A-15

Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget And Actual

Year Ended June 30, 2021

With Comparative Actual Amounts For Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes		\$ 39,279,672		\$ 36,692,185
Interest and penalties		105,404		129,412
Tax discounts		(598,546)		(538,943)
Tax refunds		(79,032)		(454,023)
Total ad valorem taxes	\$ 38,179,992	38,707,498	\$ 527,506	35,828,631
Other Taxes:				
Local option sales tax		9,165,310		7,420,377
Cable TV franchise tax		763,093		772,501
One-half percent sales tax		10,011,012		8,360,262
Medicaid Hold Harmless payment		5,379,547		4,684,870
Occupancy Taxes		-		238,072
Rental vehicle - gross receipt		207,687		162,110
Total other taxes	24,148,203	25,526,649	1,378,446	21,638,192
Unrestricted Intergovernmental:				
Other unrestricted revenues		68,758		55,196
Utilities franchise tax		6,612,710		6,832,754
Beer and wine tax		392,625		392,527
Total unrestricted intergovernmental	7,468,819	7,074,093	(394,726)	7,280,477
Restricted Intergovernmental:				
NC DOT traffic control lights		-		-
Housing Authority Drug Grant		35,685		42,364
Special Federal, State, and Local Grants		153,202		(7,000)
Section 104F Planning Grant		278,660		323,974
Other restricted intergovernmental revenue		136,958		469,682
Powell Bill - State allocation payment		2,124,843		2,174,190
Total restricted intergovernmental	3,338,222	2,729,348	(608,874)	3,003,210
Licenses, Permits, and Fees:				
Privilege licenses		-		-
Inspection fees		1,867,697		1,629,682
State fire protection		391,893		401,174
Planning department fees		160,200		110,723
Police department fees		1,586,792		1,647,008
Fire and rescue department fees		236,579		208,550
Other permits and fees		1,411		8,716
Total licenses, permits, and fees	3,292,088	4,244,572	952,484	4,005,853
Sales and Services:				
Rescue fees		2,447,717		3,182,772
Recreation department programs and fees		742,466		814,818
Utilities street cuts		90,503		126,609
Rents and concessions		-		14,422
Other sales and services		474,155		400,130
Total sales and services	4,393,644	3,754,841	(638,803)	4,538,751
Investment earnings	445,000	115,082	(329,918)	1,789,127
Other Revenues:				
Parking violation penalty		208,987		137,859
Other revenues		111,314		832,565
Total other revenues	889,439	320,301	(569,138)	970,424
Total Revenues	82,155,407	82,472,384	316,977	79,054,665

Expenditures:

General Fund

Schedule A-15

Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget And Actual

Year Ended June 30, 2021

With Comparative Actual Amounts For Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
General Government:				
Mayor and City Council		\$ 400,938		\$ 587,162
City Manager		2,669,460		2,560,885
City Clerk		211,863		248,828
City Attorney		566,882		490,874
Human Resources		3,028,197		3,171,448
Financial Services		2,664,398		2,351,118
Information Technology		2,824,368		3,191,909
Reimbursement of indirect cost		(1,350,453)		(1,369,019)
Contribution to OPEB trust		800,000		700,000
Total general government	\$ 12,753,332	11,815,653	\$ 937,679	11,933,205
Public Safety:				
Fire and rescue		15,041,336		13,722,127
Police		24,713,879		25,997,198
Total public safety	42,113,246	39,755,215	2,358,031	39,719,325
Public Works:				
Other public works		4,367,738		4,078,870
Engineering		3,897,768		4,222,826
Streets		1,863,326		1,940,631
Total public works	12,770,960	10,128,832	2,642,128	10,242,327
Economic and Physical Development:				
Community development		2,821,575		2,848,841
Total economic and physical development	3,261,379	2,821,575	439,804	2,848,841
Cultural and Recreational:				
Recreation		6,541,020		7,184,198
Total cultural and recreational	7,223,702	6,541,020	682,682	7,184,198
Total expenditures	78,122,619	71,062,295	7,060,324	71,927,896
Revenues over (under) expenditures	4,032,788	11,410,089	7,377,301	7,126,769
Other Financing Sources (Uses):				
Transfers to/from other funds:				
Greenville Utilities Commission turnover	5,542,118	5,610,318	68,200	5,772,195
Greenville Utilities Commission lighting reimbursement	886,871	954,992	68,121	881,808
Other funds	-	-	-	-
Transfer from other funds	-	-	-	1,197,884
Transfer to other funds	(17,065,754)	(17,065,754)	-	(13,167,334)
Contingency	(340,206)	-	340,206	-
Appropriated fund balance	6,944,183	-	(6,944,183)	-
Total other financing sources (uses)	(4,032,788)	(10,500,444)	(6,467,656)	(5,315,447)
Net change in fund balance	\$ -	909,645	\$ 909,645	1,811,322
Fund Balance:				
Fund balance, beginning of year – July 1		25,764,762		23,953,440
Fund balance, end of year – June 30		\$ 26,674,407		\$ 25,764,762





NON-MAJOR
GOVERNMENTAL
FUND FINANCIAL
STATEMENT



Nonmajor Governmental Funds Combining Balance Sheet

Schedule B-1

June 30, 2021

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Assets:				
Cash and cash equivalents	\$ 2,522,725	\$ 260,756	\$ 12,715,101	\$ 15,498,582
Accounts receivable, net	712,409	-	1,650,989	2,363,398
Interest receivable	8	-	-	8
Due from other governments	48,359	-	-	48,359
Prepaid items and deposits	86,686	-	-	86,686
Restricted cash and investments	3,888,480	496,918	2,071,332	6,456,730
Total assets	<u>\$ 7,258,667</u>	<u>\$ 757,674</u>	<u>\$ 16,437,422</u>	<u>\$ 24,453,763</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 98,357	\$ -	\$ 667,564	\$ 765,921
Advances from grantors	167,842	-	30,872	198,714
Due to other funds	311,432	-	928,597	1,240,029
Restricted accounts payable and accrued liabilities	-	-	1,029,047	1,029,047
Total liabilities	<u>577,631</u>	<u>-</u>	<u>2,656,080</u>	<u>3,233,711</u>
Deferred Inflows of Resources:				
Accounts/loans receivable	287,084	-	-	287,084
Total deferred inflows of resources	<u>287,084</u>	<u>-</u>	<u>-</u>	<u>287,084</u>
Fund Balances:				
Nonspendable:				
Prepaid items	86,686	-	-	86,686
Restricted:				
Stabilization by State statute	639,129	-	13,126,245	13,765,374
Restricted for public safety	3,269	-	132,932	136,201
Restricted for economic development	365,431	-	-	365,431
Restricted for streets	-	-	1,796,640	1,796,640
Restricted for culture and recreation	3,412,392	-	-	3,412,392
Restricted for donations	254,175	-	-	254,175
Restricted for loans receivable	-	-	301,795	301,795
Committed:				
Committed for general government	-	-	609,519	609,519
Committed for cultural and recreational	148,365	-	-	148,365
Committed for public safety	-	-	270,766	270,766
Committed for economic development	247,035	-	1,250,340	1,497,375
Committed for capital outlays	-	-	4,501,695	4,501,695
Assigned:				
Assigned for subsequent year's expenditures	8,095	-	-	8,095
Assigned for cultural and recreational	1,018,950	-	-	1,018,950
Unassigned	210,425	757,674	(8,208,590)	(7,240,491)
Total fund balances	<u>6,393,952</u>	<u>757,674</u>	<u>13,781,342</u>	<u>20,932,968</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,258,667</u>	<u>\$ 757,674</u>	<u>\$ 16,437,422</u>	<u>\$ 24,453,763</u>

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Year Ended June 30, 2021

Schedule B-2

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Revenues:				
Other taxes	\$ 109,704	\$ 783,891	\$ -	\$ 893,595
Restricted intergovernmental	4,455,865	-	2,289,251	6,745,116
Investment earnings	11,514	673	1,062	13,249
Licenses, permits, and fees	1,566,054	-	-	1,566,054
Other revenues	550,437	-	625,878	1,176,315
Restricted other revenues	1,500	-	-	1,500
Total revenues	<u>6,695,074</u>	<u>784,564</u>	<u>2,916,191</u>	<u>10,395,829</u>
Expenditures:				
Current:				
General government	-	-	335,589	335,589
Public safety	1,455,073	-	592,801	2,047,874
Public works	-	-	2,517,023	2,517,023
Cultural and recreational	2,252,382	-	3,583,935	5,836,317
Economic and physical development	3,990,871	-	2,343,090	6,333,961
Debt Service:				
Principal retirement	-	4,341,468	-	4,341,468
Interest and fees	-	1,073,492	4,838	1,078,330
Total expenditures	<u>7,698,326</u>	<u>5,414,960</u>	<u>9,377,276</u>	<u>22,490,562</u>
Revenues over (under) expenditures	<u>(1,003,252)</u>	<u>(4,630,396)</u>	<u>(6,461,085)</u>	<u>(12,094,733)</u>
Other Financing Sources (Uses):				
Refunding debt issued	-	1,645,000	-	1,645,000
Payment for refunded debt	-	(1,645,000)	-	(1,645,000)
Transfers from other funds	4,937,691	5,199,820	13,965,894	24,103,405
Transfers to other funds	-	(1,203,510)	(8,364,803)	(9,568,313)
Total other financing sources (uses)	<u>4,937,691</u>	<u>3,996,310</u>	<u>5,601,091</u>	<u>14,535,092</u>
Net change in fund balances	3,934,439	(634,086)	(859,994)	2,440,359
Fund Balances:				
Fund balances, beginning of year – July 1,	<u>2,459,513</u>	<u>1,391,761</u>	<u>14,641,336</u>	<u>18,492,610</u>
Fund balances, end of year – June 30	<u>\$ 6,393,952</u>	<u>\$ 757,675</u>	<u>\$ 13,781,342</u>	<u>\$ 20,932,969</u>





NON-MAJOR SPECIAL REVENUE FUNDS



**City of Greenville, North Carolina
Nonmajor Special Revenue Funds
Combining Balance Sheet**

Schedule C-1

June 30, 2021

	Community Development and HOME Fund	Sheppard Memorial Library	Housing Trust Fund	Centralized Grant Fund	FEMA Fund	Donations Fund	Red Light Program Fund	Occupancy Tax Fund	Total
Assets:									
Cash and cash equivalents	\$ 645,101	\$ 1,615,338	\$ -	\$ -	\$ 232,061	\$ -	\$ 30,225	\$ -	\$ 2,522,725
Accounts receivable, net	475,944	-	7,150	181,326	432	-	47,557	-	712,409
Interest receivable	-	8	-	-	-	-	-	-	8
Due from other governments	6,679	41,661	19	-	-	-	-	-	48,359
Prepaid items and deposits	-	86,686	-	-	-	-	-	-	86,686
Restricted cash and investments	-	-	14,924	481,734	-	254,175	-	3,137,647	3,888,480
Total assets	<u>\$ 1,127,724</u>	<u>\$ 1,743,693</u>	<u>\$ 22,093</u>	<u>\$ 663,060</u>	<u>\$ 232,493</u>	<u>\$ 254,175</u>	<u>\$ 77,782</u>	<u>\$ 3,137,647</u>	<u>\$ 7,258,667</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable and accrued liabilities	\$ 36,152	8,475	\$ -	\$ 53,730	\$ -	\$ -	\$ -	\$ -	\$ 98,357
Advances from grantors	-	-	-	167,842	-	-	-	-	167,842
Due to other funds	154,724	156,708	-	-	-	-	-	-	311,432
Total liabilities	<u>190,876</u>	<u>165,183</u>	<u>-</u>	<u>221,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,631</u>
Deferred Inflows of Resources:									
Accounts/loans receivable	287,084	-	-	-	-	-	-	-	287,084
Total deferred inflows of resources	<u>287,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,084</u>
Fund Balances:									
Nonspendable:									
Prepaid items	-	86,686	-	-	-	-	-	-	86,686
Loans receivable	-	-	-	-	-	-	-	-	-
Restricted:									
Stabilization by State statute	397,409	41,669	7,167	90,983	432	-	101,469	-	639,129
Restricted for public safety	-	-	-	-	-	-	3,269	-	3,269
Restricted for culture and recreation	-	274,745	-	-	-	-	-	3,137,647	3,412,392
Restricted for economic and physical development	-	-	14,926	350,505	-	-	-	-	365,431
Restricted for donations	-	-	-	-	-	254,175	-	-	254,175
Committed:									
Committed for cultural and recreational	-	148,365	-	-	-	-	-	-	148,365
Committed for economic development	247,035	-	-	-	-	-	-	-	247,035
Assigned:									
Assigned for subsequent year's expenditures	-	8,095	-	-	-	-	-	-	8,095
Assigned for cultural and recreational	-	1,018,950	-	-	-	-	-	-	1,018,950
Unassigned	5,320	-	-	-	232,061	-	(26,956)	-	210,425

Total fund balances	<u>649,764</u>	<u>1,578,510</u>	<u>22,093</u>	<u>441,488</u>	<u>232,493</u>	<u>254,175</u>	<u>77,782</u>	<u>3,137,647</u>	<u>6,393,952</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,127,724</u>	<u>\$ 1,743,693</u>	<u>\$ 22,093</u>	<u>\$ 663,060</u>	<u>\$ 232,493</u>	<u>\$ 254,175</u>	<u>\$ 77,782</u>	<u>\$ 3,137,647</u>	<u>\$ 7,258,667</u>

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances

Schedule C-2

Year Ended June 30, 2021

	Community Development and HOME Fund	Sheppard Memorial Library	Housing Trust Fund	Centralized Grant Fund	FEMA Fund	Donations Fund	Red Light Program Fund	Occupancy Tax Fund	Total
Revenues:									
Restricted intergovernmental	\$ 1,334,253	\$ 1,032,621	\$ -	\$ 2,088,091	\$ 900	\$ -	\$ -	\$ -	\$ 4,455,865
Other taxes	-	-	-	-	-	-	-	109,704	109,704
Licenses, permits, and fees	-	33,199	-	-	-	-	1,532,855	-	1,566,054
Investment earnings	-	11,514	-	-	-	-	-	-	11,514
Other revenues	526,301	18,645	493	4,998	-	-	-	-	550,437
Restricted other revenues	-	-	-	-	-	1,500	-	-	1,500
Total revenues	<u>1,860,554</u>	<u>1,095,979</u>	<u>493</u>	<u>2,093,089</u>	<u>900</u>	<u>1,500</u>	<u>1,532,855</u>	<u>109,704</u>	<u>6,695,074</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	2,234,816	-	-	-	15,920	-	1,646	2,252,382
Public safety	-	-	-	-	-	-	1,455,073	-	1,455,073
Public works	-	-	-	-	-	-	-	-	-
Economic and physical development	1,717,885	-	-	2,272,986	-	-	-	-	3,990,871
Total expenditures	<u>1,717,885</u>	<u>2,234,816</u>	<u>-</u>	<u>2,272,986</u>	<u>-</u>	<u>15,920</u>	<u>1,455,073</u>	<u>1,646</u>	<u>7,698,326</u>
Revenues over (under) expenditures	142,669	(1,138,837)	493	(179,897)	900	(14,420)	77,782	108,058	(1,003,252)
Other Financing Sources (Uses):									
Transfers from other funds	328,695	1,547,300	-	32,107	-	-	-	3,029,589	4,937,691
Transfers to other funds	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>328,695</u>	<u>1,547,300</u>	<u>-</u>	<u>32,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,029,589</u>	<u>4,937,691</u>
Net change in fund balances	471,364	408,463	493	(147,790)	900	(14,420)	77,782	3,137,647	3,934,439
Fund Balances:									
Fund balance, beginning of year – July 1	178,400	1,170,047	21,600	589,278	231,593	268,595	-	-	2,459,513
Fund balance, end of year – June 30	<u>\$ 649,764</u>	<u>\$ 1,578,510</u>	<u>\$ 22,093</u>	<u>\$ 441,488</u>	<u>\$ 232,493</u>	<u>\$ 254,175</u>	<u>\$ 77,782</u>	<u>\$ 3,137,647</u>	<u>\$ 6,393,952</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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
CDBG and Home Entitlement Program:					
Property owners matching fund	\$ -	\$ 42,570	\$ -	\$ -	\$ 42,570
Federal grant, HUD	8,727,767	17,013,923	-	1,334,253	18,348,176
Consortium members	-	13,666	-	-	13,666
Loan payments	565,616	693,625	-	526,301	1,219,926
Interest income	-	25	-	-	25
Sale of acquired property	-	529,937	-	-	529,937
Total revenues	<u>9,293,383</u>	<u>18,293,746</u>	<u>-</u>	<u>1,860,554</u>	<u>20,154,300</u>
Expenditures:					
CDBG and Home Entitlement Program:					
Administration	4,241,236	5,202,744	-	761,122	5,963,866
Rehabilitation – third-party owned dwellings	3,948,513	8,332,423	-	615,576	8,947,999
Rehabilitation – rental	-	62,875	-	-	62,875
Outside agency funding	658,597	1,294,472	-	77,640	1,372,112
Acquisition dilapidated	29,987	430,596	-	-	430,596
Code enforcement	-	178,110	-	-	178,110
Small area revitalization	-	5,000	-	-	5,000
Demolition grants	61,963	165,002	-	-	165,002
Rental assistance	200,000	-	-	124,088	124,088
Small business assistance	50,000	-	-	41,459	41,459
New construction	50,000	-	-	18,000	18,000
Secondary mortgage	1,236,285	803,060	-	80,000	883,060
Economic Development Study, West Greenville/ Meadowbrook	33,004	269,432	-	-	269,432
Other expenses	-	58,010	-	-	58,010
Relocation	-	46,481	-	-	46,481
Contribution to other consortium members	219,488	3,895,657	-	-	3,895,657
Capital outlay	-	11,834	-	-	11,834
Total expenditures	<u>10,729,073</u>	<u>20,755,696</u>	<u>-</u>	<u>1,717,885</u>	<u>22,473,581</u>
Revenues under expenditures	<u>(1,435,690)</u>	<u>(2,461,950)</u>	<u>-</u>	<u>142,669</u>	<u>(2,319,281)</u>
Other Financing Sources (Uses):					
Transfers in (out):					
Transfers from other funds	1,545,850	3,506,707	-	328,695	3,835,402
Transfers to other funds	(110,160)	(866,357)	-	-	(866,357)
Total other financing sources	1,435,690	2,640,350	-	328,695	2,969,045
Net change in fund balance	<u>\$ -</u>	<u>\$ 178,400</u>	<u>\$ -</u>	<u>471,364</u>	<u>\$ 649,764</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>178,400</u>	
Fund balance, end of year – June 30				<u>\$ 649,764</u>	

Sheppard Memorial Library Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Pitt County - operating	\$ 613,819	\$ 613,819	\$ -
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	196,483	196,482	(1)
Fees	28,100	33,199	5,099
Interest earnings	11,400	11,514	114
Greenville Housing Authority	10,692	10,692	-
CARES Funding	-	13,220	13,220
Miscellaneous	28,000	18,645	(9,355)
Total revenues	<u>1,086,902</u>	<u>1,095,979</u>	<u>9,077</u>
Expenditures:			
Current:			
Cultural and recreational:			
Salaries and benefits	1,523,245	1,442,539	80,706
Greenville Housing Authority	10,692	10,931	(239)
Other operating expenditures	391,388	352,395	38,993
Maintenance and repairs	288,877	279,433	9,444
Capital Outlay	480,000	136,298	343,702
CARES Expenditures	-	13,220	(13,220)
Total expenditures	<u>2,694,202</u>	<u>2,234,816</u>	<u>459,386</u>
Revenues over (under) expenditures	<u>(1,607,300)</u>	<u>(1,138,837)</u>	<u>468,463</u>
Other Financing Sources (Uses):			
Transfers in - City of Greenville - operating	1,337,300	1,337,300	-
Transfers in - City of Greenville - capital	210,000	210,000	-
Committed - HVAC units	60,000	-	(60,000)
Appropriated fund balance	-	-	-
Total other financing sources (uses)	<u>1,607,300</u>	<u>1,547,300</u>	<u>(60,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>408,463</u>	<u>\$ 408,463</u>
Fund Balances:			
Fund balance, beginning of year – July 1		<u>1,170,047</u>	
Fund balance, end of year – June 30		<u>\$ 1,578,510</u>	

Housing Trust Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Grants	\$ 178,500	\$ 178,576	\$ -	\$ 178,576
Investment earnings	12,472	12,473	-	12,473
Other revenues	31,003	39,707	493	40,200
Total revenues	<u>221,975</u>	<u>230,756</u>	<u>493</u>	<u>231,249</u>
Expenditures:				
Small area revitalization	22,332	22,876	-	22,876
Rehabilitation	221,113	215,374	-	215,374
Other expenditures	99,530	91,906	-	91,906
Total expenditures	<u>342,975</u>	<u>330,156</u>	<u>-</u>	<u>330,156</u>
Revenues under expenditures	(121,000)	(99,400)	493	(98,907)
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>\$ 21,600</u>	493	<u>\$ 22,093</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>21,600</u>	
Fund balance, end of year – June 30			<u>\$ 22,093</u>	

Centralized Grant Projects Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual
From Inception And Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and State grants	\$ 9,584,495	\$ 5,671,603	\$ 2,088,091	\$ 7,759,694
Investment income	-	1	-	1
Other revenue	-	2,211	4,998	7,209
Total revenues	<u>9,584,495</u>	<u>5,673,815</u>	<u>2,093,089</u>	<u>7,766,904</u>
Expenditures:				
Current:				
Economic and physical development	9,809,864	5,079,724	2,272,986	7,352,710
Capital outlay	1,061,609	1,060,202	-	1,060,202
Total expenditures	<u>10,871,473</u>	<u>6,139,926</u>	<u>2,272,986</u>	<u>8,412,912</u>
Revenues over (under) expenditures	<u>(1,286,978)</u>	<u>(466,111)</u>	<u>(179,897)</u>	<u>(646,008)</u>
Other Financing Sources (Uses):				
Transfers to other funds	(27,419)	(60,565)	-	(60,565)
Transfers from other funds	1,314,397	1,115,954	32,107	1,148,061
Total other financing sources	<u>1,286,978</u>	<u>1,055,389</u>	<u>32,107</u>	<u>1,087,496</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 589,278</u>	<u>(147,790)</u>	<u>\$ 441,488</u>
Fund Balance:				
Fund balance, beginning of year – July 1			589,278	
Fund balance, end of year – June 30			<u>\$ 441,488</u>	

FEMA Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Restricted Intergovernmental:				
Federal, State, and local grants	\$ 3,804,337	\$ 1,178,591	\$ 900	\$ 1,179,491
Mutual aid	-	68,764	-	68,764
Total restricted intergovernmental	<u>3,804,337</u>	<u>1,247,355</u>	<u>900</u>	<u>1,248,255</u>
Interest earned on investments	-	-	-	-
Total revenues	<u>3,804,337</u>	<u>1,247,355</u>	<u>900</u>	<u>1,248,255</u>
Expenditures:				
Current:				
General government:				
Hurricane Dorian	1,000,000	4,645	-	4,645
Hurricane Florence	508,674	451,048	-	451,048
Hurricane Matthew	1,988,421	272,151	-	272,151
Total expenditures	<u>3,497,095</u>	<u>727,844</u>	<u>-</u>	<u>727,844</u>
Revenues over (under) expenditures	<u>307,242</u>	<u>519,511</u>	<u>900</u>	<u>520,411</u>
Other Financing Sources:				
Transfer from other funds	181,192	600	-	600
Transfer to other funds	(488,434)	(288,518)	-	(288,518)
Total other financing sources (uses)	<u>(307,242)</u>	<u>(287,918)</u>	<u>-</u>	<u>(287,918)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 231,593</u>	<u>900</u>	<u>\$ 232,493</u>
Fund Balance:				
Fund balance, beginning of year – July 1			<u>231,593</u>	
Fund balance, end of year – June 30			<u>\$ 232,493</u>	

Donations Fund**Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual**

From Inception and Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Miscellaneous Restricted:				
Local				
Donations	\$ -	\$ 265,399	\$ 1,500	\$ 266,899
Total Miscellaneous Restricted	-	265,399	1,500	266,899
Expenditures:				
Current:				
General government	1,135	-	-	-
Public Safety	24,729	21,166	-	21,166
Cultural and recreational	175,236	174,469	15,920	190,389
Economic and Physical Development	2,188	4,457	-	4,457
Total expenditures	203,288	200,092	15,920	216,012
Revenues over (under) expenditures	(203,288)	65,307	(14,420)	50,887
Other Financing Sources:				
Transfer from other funds	203,288	203,288	-	203,288
Total other financing sources (uses)	203,288	203,288	-	203,288
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ 268,595	(14,420)	\$ 254,175
Fund Balance:				
Fund balance, beginning of year – July 1			268,595	
Fund balance, end of year – June 30			\$ 254,175	

Red Light Camera Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2021

Schedule C-9

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Red Light Citations	\$ 1,600,000	\$ 1,532,855	\$ (67,145)
Energy efficient refund	-	-	-
Investment earnings	-	-	-
Total revenues	<u>1,600,000</u>	<u>1,532,855</u>	<u>(67,145)</u>
Expenditures:			
Current:			
Operating	1,600,000	\$ 1,455,073	144,927
	-	-	-
Total expenditures	<u>1,600,000</u>	<u>1,455,073</u>	<u>144,927</u>
Revenues over (under) expenditures	<u>-</u>	<u>77,782</u>	<u>77,782</u>
Other Financing Sources:			
Appropriated fund balance	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Refunding debt issued	-	-	-
Payments to escrow agent	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>77,782</u>	<u>\$ 77,782</u>
Fund Balance:			
Fund balance, beginning of year – July 1		<u>-</u>	
Fund balance, end of year – June 30		<u>\$ 77,782</u>	

Occupancy Tax Fund

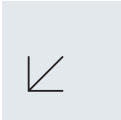
Schedule C-10

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Occupancy Tax Collections	\$ -	\$ 109,704	\$ 109,704
Total revenues	<u>-</u>	<u>109,704</u>	<u>109,704</u>
Expenditures:			
Current:			
Cultural and Recreational	3,029,589	\$ 1,646	3,027,943
Total expenditures	<u>3,029,589</u>	<u>1,646</u>	<u>3,027,943</u>
Revenues over (under) expenditures	<u>(3,029,589)</u>	<u>108,058</u>	<u>3,137,647</u>
Other Financing Sources:			
Transfers from other funds	3,029,589	3,029,589	-
Total other financing sources	<u>3,029,589</u>	<u>3,029,589</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>3,137,647</u>	<u>\$ 3,137,647</u>
Fund Balance:			
Fund balance, beginning of year – July 1		<u>-</u>	
Fund balance, end of year – June 30		<u>\$ 3,137,647</u>	





NON-MAJOR
CAPITAL PROJECTS
FUNDS

**Nonmajor Capital Projects Funds
Combining Balance Sheet**

Schedule D-1

June 30, 2021

	Affordable Housing Project Fund	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Street Improvement Fund	Engineering Fund	Community Development Fund	IT Fund	Fire and Rescue Fund	Police Fund	Capital Reserve Fund	Total
Assets:												
Cash and cash equivalents	\$ 527,880	\$ 570,830	\$ 2,774,642	\$ -	\$ -	\$ 3,094,411	\$ 322,770	\$ 652,107	\$ -	\$ 270,766	\$ 4,501,695	\$ 12,715,101
Accounts receivable, net	309,827	-	779,205	561,957	-	-	-	-	-	-	-	1,650,989
Restricted cash and investments	-	-	-	-	1,938,400	-	-	-	-	132,932	-	2,071,332
Total assets	<u>\$ 837,707</u>	<u>\$ 570,830</u>	<u>\$ 3,553,847</u>	<u>\$ 561,957</u>	<u>\$ 1,938,400</u>	<u>\$ 3,094,411</u>	<u>\$ 322,770</u>	<u>\$ 652,107</u>	<u>\$ -</u>	<u>\$ 403,698</u>	<u>\$ 4,501,695</u>	<u>\$ 16,437,422</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:												
Liabilities:												
Accounts payable and accrued liabilities	\$ 33,804	\$ 135,246	\$ 114,106	\$ 169,262	\$ 1,804	\$ 162,523	\$ -	\$ 4,000	\$ 46,819	\$ -	\$ -	\$ 667,564
Advances from grantors	-	-	30,872	-	-	-	-	-	-	-	-	30,872
Due to other funds	-	-	-	334,676	-	-	-	-	593,921	-	-	928,597
Restricted accounts payable and accrued liabilities	-	-	1,029,047	-	-	-	-	-	-	-	-	1,029,047
Total liabilities	<u>33,804</u>	<u>135,246</u>	<u>1,174,025</u>	<u>503,938</u>	<u>1,804</u>	<u>162,523</u>	<u>-</u>	<u>4,000</u>	<u>640,740</u>	<u>-</u>	<u>-</u>	<u>2,656,080</u>
Deferred Inflows of Resources:												
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:												
Stabilization by State statute	309,826	5,379,060	2,408,980	2,653,235	139,956	2,180,765	15,835	38,588	-	-	-	13,126,245
Restricted for economic development	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for streets	-	-	-	-	1,796,640	-	-	-	-	-	-	1,796,640
Restricted for public safety	-	-	-	-	-	-	-	-	-	132,932	-	132,932
Restricted for Loans receivable	301,795	-	-	-	-	-	-	-	-	-	-	301,795
Committed:												
Committed for general government	-	-	-	-	-	-	-	609,519	-	-	-	609,519
Committed for cultural and recreational	-	-	-	-	-	-	-	-	-	-	-	-
Committed for public safety	-	-	-	-	-	-	-	-	-	270,766	-	270,766
Committed for economic development	192,282	-	-	-	-	751,123	306,935	-	-	-	-	1,250,340
Committed for capital outlays	-	-	-	-	-	-	-	-	-	-	4,501,695	4,501,695
Unassigned	-	(4,943,476)	(29,158)	(2,595,216)	-	-	-	-	(640,740)	-	-	(8,208,590)
Total fund balances	<u>803,903</u>	<u>435,584</u>	<u>2,379,822</u>	<u>58,019</u>	<u>1,936,596</u>	<u>2,931,888</u>	<u>322,770</u>	<u>648,107</u>	<u>(640,740)</u>	<u>403,698</u>	<u>4,501,695</u>	<u>13,781,342</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 837,707</u>	<u>\$ 570,830</u>	<u>\$ 3,553,847</u>	<u>\$ 561,957</u>	<u>\$ 1,938,400</u>	<u>\$ 3,094,411</u>	<u>\$ 322,770</u>	<u>\$ 652,107</u>	<u>\$ -</u>	<u>\$ 403,698</u>	<u>\$ 4,501,695</u>	<u>\$ 16,437,422</u>

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances

Schedule D-2

Year Ended June 30, 2021

	Affordable Housing Project Fund	Recreation and Parks Fund	Public Works Fund	Greenways Fund	Street Improvement Fund	Engineering Fund	Community Development Fund	IT Fund	Fire and Rescue Fund	Police Fund	Capital Reserve Fund	Total
Revenues:												
Restricted intergovernmental	\$ -	\$ -	\$ 1,134,135	\$ 1,005,116	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 2,289,251
Investment earnings	-	-	34	-	946	-	-	-	-	27	55	1,062
Other revenues	36,970	550,000	-	-	-	-	38,908	-	-	-	-	625,878
Total revenues	36,970	550,000	1,134,169	1,005,116	946	-	188,908	-	-	27	55	2,916,191
Expenditures:												
Current:												
General government	-	-	-	-	-	-	-	335,589	-	-	-	335,589
Public safety	-	-	-	-	-	-	-	-	586,871	5,930	-	592,801
Public Works	-	-	-	-	276,107	2,240,916	-	-	-	-	-	2,517,023
Cultural and recreational	-	1,980,273	-	1,603,663	(1)	-	-	-	-	-	-	3,583,935
Economic and physical development	-	-	2,238,666	-	-	-	104,424	-	-	-	-	2,343,090
Total current expenditures	-	1,980,273	2,238,666	1,603,663	276,106	2,240,916	104,424	335,589	586,871	5,930	-	9,372,438
Debt service:												
Bond issuance costs	-	-	-	-	4,838	-	-	-	-	-	-	4,838
Total expenditures	-	1,980,273	2,238,666	1,603,663	280,944	2,240,916	104,424	335,589	586,871	5,930	-	9,377,276
Revenues over (under) expenditures	36,970	(1,430,273)	(1,104,497)	(598,547)	(279,998)	(2,240,916)	84,484	(335,589)	(586,871)	(5,903)	55	(6,461,085)
Other Financing Sources (Uses):												
Transfers from other funds	-	1,267,466	4,495,037	-	-	5,172,804	-	825,000	-	-	2,205,587	13,965,894
Transfers to other funds	-	(24,383)	(2,166,866)	-	(2,555,921)	-	-	-	-	-	(3,617,633)	(8,364,803)
Total other financing sources	-	1,243,083	2,328,171	-	(2,555,921)	5,172,804	-	825,000	-	-	(1,412,046)	5,601,091
Net change in fund balances	36,970	(187,190)	1,223,674	(598,547)	(2,835,919)	2,931,888	84,484	489,411	(586,871)	(5,903)	(1,411,991)	(859,994)
Fund Balances:												
Fund balances, beginning of year – July 1,	766,933	622,774	1,156,148	656,566	4,772,515	-	238,286	158,696	(53,869)	409,601	5,913,686	14,641,336
Fund balances, end of year – June 30	\$ 803,903	\$ 435,584	\$ 2,379,822	\$ 58,019	\$ 1,936,596	\$ 2,931,888	\$ 322,770	\$ 648,107	\$ (640,740)	\$ 403,698	\$ 4,501,695	\$ 13,781,342

Affordable Housing Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

	<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	772,135	-	36,970	809,105
Sale of property	1,706,000	1,807,737	-	-	1,807,737
Total revenues	<u>2,378,600</u>	<u>2,770,802</u>	<u>-</u>	<u>36,970</u>	<u>2,807,772</u>
Expenditures:					
Current:					
Economic and Physical Development:					
Affordable Housing Project	3,903,600	3,529,344	-	-	3,529,344
Total expenditures	<u>3,903,600</u>	<u>3,529,344</u>	<u>-</u>	<u>-</u>	<u>3,529,344</u>
Revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(758,542)</u>	<u>-</u>	<u>36,970</u>	<u>(721,572)</u>
Other Financing Sources:					
Transfer from General Fund	525,000	525,000	-	-	525,000
Bonds issued	1,000,000	1,000,475	-	-	1,000,475
Total other financing sources	<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>\$ 766,933</u>	<u>\$ -</u>	<u>36,970</u>	<u>\$ 803,903</u>
Fund Balance:					
Fund balances, beginning of year – July 1				<u>766,933</u>	
Fund balance, end of year – June 30				<u>\$ 803,903</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, 2021

Schedule D-4

	<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	\$ 224,507	\$ 320,642	\$ -	\$ -	\$ 320,642
Total restricted intergovernmental	<u>224,507</u>	<u>320,642</u>	<u>-</u>	<u>-</u>	<u>320,642</u>
Miscellaneous:					
Donations	132,000	-	-	-	-
Miscellaneous revenue	550,000	-	-	550,000	550,000
Interest	-	173	-	-	173
Total miscellaneous	<u>682,000</u>	<u>173</u>	<u>-</u>	<u>550,000</u>	<u>550,173</u>
Total revenues	<u>906,507</u>	<u>320,815</u>	<u>-</u>	<u>550,000</u>	<u>870,815</u>
Expenditures:					
Current:					
Cultural and Recreational:					
Eppes Remodel	1,350,000	-	-	252,583	252,583
Town Common Parking Lot	-	-	(100,000)	100,000	-
Sycamore Hill Gateway	-	1,781,899	(1,993,332)	211,433	-
Pool Replacement	4,261,385	-	-	339,674	339,674
Tar River Master Plan	-	1,807	(1,807)	-	-
Tar River Development	3,286,112	928,147	-	1,072,699	2,000,846
Parks Improvements	45,000	-	-	3,885	3,885
Volleyball Facility	-	319,934	(319,934)	-	-
Water Sports Facility	298,677	266,693	-	-	266,693
Total cultural and recreational expenditures	<u>9,241,174</u>	<u>3,298,480</u>	<u>(2,415,073)</u>	<u>1,980,273</u>	<u>2,863,680</u>
Revenues over (under) expenditures	<u>(8,334,667)</u>	<u>(2,977,665)</u>	<u>2,415,073</u>	<u>(1,430,273)</u>	<u>(1,992,865)</u>
Other Financing Sources and Uses:					
Transfer from other funds	1,520,257	3,630,291	(2,415,073)	1,267,466	2,482,684
Transfer to other funds	(33,383)	(29,852)	-	(24,383)	(54,235)
Appropriated fund balance	572,874	-	-	-	-
Bonds issued	6,274,919	-	-	-	-
Total other financing sources	<u>8,334,667</u>	<u>3,600,439</u>	<u>(2,415,073)</u>	<u>1,243,083</u>	<u>2,428,449</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 622,774</u>	<u>\$ -</u>	<u>(187,190)</u>	<u>\$ 435,584</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>622,774</u>	
Fund balance, end of year – June 30				<u>\$ 435,584</u>	

Public Works Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule D-5

	<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	\$ 24,698,934	\$ 13,214,812	\$ -	\$ 1,134,135	\$ 14,348,947
Total restricted intergovernmental	24,698,934	13,214,812	-	1,134,135	14,348,947
Miscellaneous:					
Other	2,731,245	268,426	-	-	268,426
Interest earnings	-	12,975	-	34	13,009
Occupancy taxes	435,590	2,108,805	-	-	2,108,805
Total miscellaneous	3,166,835	2,390,206	-	34	2,390,240
Total revenues	27,865,769	15,605,018	-	1,134,169	16,739,187
Expenditures:					
Current:					
Economic and Physical Development:					
Street Improvement	14,282,805	11,675,245	-	1,192,495	12,867,740
CVA Expansion Phase III	4,730,980	4,669,610	-	-	4,669,610
GTAC Project	9,336,917	9,985,739	-	12,851	9,998,590
King George Bridge	1,341,089	703,482	-	-	703,482
Street Lights/Pedestrian Safety	1,526,225	1,269,444	-	206,433	1,475,877
Sidewalk Development	1,405,540	953,294	-	-	953,294
Fire Station #2	139,551	129,365	-	-	129,365
Fire Station #3 Parking Lot	244,655	191,086	-	-	191,086
Computerized Traffic Signal System	8,883,151	-	-	-	-
Parking Lot Enhancement	81,903	31,969	-	13,139	45,108
Imperial Site Demolition	238,464	217,784	-	20,680	238,464
Safe Routes to Schools	1,409,463	641,589	-	793,068	1,434,657
Stantonsburg Road / 10th Street Connector	6,194,950	5,657,344	-	-	5,657,344
Energy Efficiency Recovery Grant	777,600	216,892	-	-	216,892
Energy Savings Equipment	2,591,373	2,590,366	-	-	2,590,366
Parking Deck Safety	135,000	-	-	-	-
Pedestrian Crossing	210,761	-	-	-	-
Total expenditures	53,530,427	38,933,209	-	2,238,666	41,171,875
Revenues under expenditures	(25,664,658)	(23,328,191)	-	(1,104,497)	(24,432,688)
Other Financing Sources (Uses):					
Transfer from other funds	21,331,989	17,779,952	-	4,495,037	22,274,989
Transfers to other funds	(4,009,197)	(2,112,722)	-	(2,166,866)	(4,279,588)
Long-term debt issued	4,000,000	6,791,372	-	-	6,791,372
Bonds issued	2,200,000	2,025,737	-	-	2,025,737
Appropriated fund balance	2,141,866	-	-	-	-
Total other financing sources	25,664,658	24,484,339	-	2,328,171	26,812,510
Revenues and other financing sources over expenditures	\$ -	\$ 1,156,148	\$ -	1,223,674	\$ 2,379,822
Fund Balance:					
Fund balance, beginning of year – July 1				1,156,148	
Fund balance, end of year – June 30				\$ 2,379,822	

Greenways Capital Projects Fund

Schedule D-6

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

From Inception and Year Ended June 30, 2021

	<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	\$ 5,378,200	\$ 2,494,984	\$ -	\$ 1,005,116	\$ 3,500,100
Total restricted intergovernmental	5,378,200	2,494,984	-	1,005,116	3,500,100
Miscellaneous:					
Donations	-	50,000	-	-	50,000
Total miscellaneous	-	50,000	-	-	50,000
Total revenues	5,378,200	2,544,984	-	1,005,116	3,550,100
Expenditures:					
Current:					
Cultural and Recreational:					
Green Mill Greenway	2,113,935	2,027,632	-	-	2,027,632
South Tar River Greenway Phase 3	4,451,911	1,177,429	-	1,603,663	2,781,092
Total expenditures	6,565,846	3,205,061	-	1,603,663	4,808,724
Revenues over (under) expenditures	(1,187,646)	(660,077)	-	(598,547)	(1,258,624)
Other Financing Sources:					
Transfer from other funds	1,187,646	1,316,643	-	-	1,316,643
Total other financing sources	1,187,646	1,316,643	-	-	1,316,643
Revenues and other financing sources over expenditures	\$ -	\$ 656,566	\$ -	(598,547)	\$ 58,019
Fund Balance:					
Fund balance, beginning of year – July 1				656,566	
Fund balance, end of year – June 30				\$ 58,019	

Street Improvement Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ 137,770	\$ 946	\$ 138,716
Total revenues	-	137,770	946	138,716
Expenditures:				
Current:				
General Government:				
West 5th Streetscape	171,021	132,757	-	132,757
Public Works:				
Statons Road/10th Street	1,750,000	1,616,748	-	1,616,748
Arlington Improvements	4,796,648	4,485,727	276,106	4,761,833
Safe Routes to Schools	198,556	-	-	-
Sidewalks	312,854	137,056	-	137,056
Total transportation expenditures	7,058,058	6,239,531	276,106	6,515,637
Environmental Protection:				
Bond resurfacing project	6,355,919	6,217,075	-	6,217,075
Cultural and Recreational:				
Eastside Greenway	239,408	239,407	-	239,407
Debt Service:				
Bond issuance costs	-	219,135	4,838	223,973
Total expenditures	13,824,406	13,047,905	280,944	13,328,849
Revenues under expenditures	(13,824,406)	(12,910,135)	(279,998)	(13,190,133)
Other Financing Sources:				
Transfers to other funds	(3,028,161)	(648,038)	(2,555,921)	(3,203,959)
Transfers from other funds	1,002,567	1,002,567	-	1,002,567
Bond proceeds	15,850,000	15,850,000	-	15,850,000
Premium on bonds	-	1,478,121	-	1,478,121
Total other financing sources	13,824,406	17,682,650	(2,555,921)	15,126,729
Revenues and other financing sources over (under) expenditures	\$ -	\$ 4,772,515	(2,835,919)	\$ 1,936,596
Fund Balance:				
Fund balance, beginning of year – July 1			4,772,515	
Fund balance, end of year – June 30			\$ 1,936,596	

Engineering Capital Project Fund

Schedule D-8

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

From Inception and Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Restricted Intergovernmental					
Federal and State Grants	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -
Total Restricted Intergovernmental	15,000,000	-	-	-	-
Micellaneous:					
Other revenues	1,170,000	-	-	-	-
Total Miscellaneous	1,170,000	-	-	-	-
Total Revenues	16,170,000	-	-	-	-
Expenditures:					
Current:					
Economic and Physical Development					
Build Grant	24,000,000	-	-	2,240,916	2,240,916
Total expenditures	24,000,000	-	-	2,240,916	2,240,916
Revenues under expenditures	(7,830,000)	-	-	(2,240,916)	(2,240,916)
Other Financing Sources (Uses):					
Transfer from other funds	7,830,000	-	-	5,172,804	5,172,804
Total other financing sources	7,830,000	-	-	5,172,804	5,172,804
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	2,931,888	\$ 2,931,888
Fund Balance:					
Fund balance, beginning of year – July 1				-	
Fund balance, end of year – June 30				\$ 2,931,888	

Community Development Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule D-9

	<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	\$ 850,000	\$ 715,162	\$ -	\$ 150,000	\$ 865,162
State grants and contributions	7,500	-	-	-	-
Total restricted intergovernmental	<u>857,500</u>	<u>715,162</u>	<u>-</u>	<u>150,000</u>	<u>865,162</u>
Miscellaneous:					
Other	1,175,294	616,420	-	38,908	655,328
Sales and services	-	530,831	-	-	530,831
Interest earnings	399,640	406,577	-	-	406,577
Total miscellaneous	<u>1,574,934</u>	<u>1,553,828</u>	<u>-</u>	<u>38,908</u>	<u>1,592,736</u>
Total revenues	<u>2,432,434</u>	<u>2,268,990</u>	<u>-</u>	<u>188,908</u>	<u>2,457,898</u>
Expenditures:					
Current:					
Economic and Physical Development:					
Uptown Parking Deck	5,194,153	5,075,489	-	-	5,075,489
Center City Revitalization	5,349,156	5,188,656	-	-	5,188,656
Imperial Site Project	957,035	958,085	-	-	958,085
GUC Energy Improvement	100,000	584,116	-	104,424	688,540
Energy Efficiency Revolving Loan	1,000,000	251,056	-	-	251,056
West Greenville Revitalization	6,270,918	6,251,630	-	-	6,251,630
Total expenditures	<u>18,871,262</u>	<u>18,309,032</u>	<u>-</u>	<u>104,424</u>	<u>18,413,456</u>
Revenues over (under) expenditures	<u>(16,438,828)</u>	<u>(16,040,042)</u>	<u>-</u>	<u>84,484</u>	<u>(15,955,558)</u>
Other Financing Sources (Uses):					
Transfers to other funds	(82,965)	(243,465)	-	-	(243,465)
Transfers from other funds	6,473,046	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	10,000,000	10,000,000	-	-	10,000,000
Total other financing sources	<u>16,438,828</u>	<u>16,278,328</u>	<u>-</u>	<u>-</u>	<u>16,278,328</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 238,286</u>	<u>\$ -</u>	<u>84,484</u>	<u>\$ 322,770</u>
Fund Balance:					
Fund balance, beginning of year – July 1				<u>238,286</u>	
Fund balance, end of year – June 30				<u>\$ 322,770</u>	

IT Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule D-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Miscellaneous:					
Other revenues	\$ -	\$ 210,578	\$ -	\$ -	\$ 210,578
Total Miscellaneous	-	210,578	-	-	210,578
Expenditures:					
Current:					
General Government:					
IT Hardware Upgrades	770,991	660,621	-	-	660,621
IT Security Infrastructure Upgrades	550,000	-	-	326,837	326,837
ERP	2,500,000	2,451,674	-	8,752	2,460,426
Total expenditures	3,820,991	3,112,295	-	335,589	3,447,884
Revenues under expenditures	(3,820,991)	(2,901,717)	-	(335,589)	(3,237,306)
Other Financing Sources (Uses):					
Transfer from other funds	3,820,991	3,060,413	-	825,000	3,885,413
Total other financing sources	3,820,991	3,060,413	-	825,000	3,885,413
Revenues and other financing sources over (under) expenditures	\$ -	\$ 158,696	\$ -	489,411	\$ 648,107
Fund Balance:					
Fund balance, beginning of year – July 1				158,696	
Fund balance, end of year – June 30				\$ 648,107	

Fire and Rescue Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule D-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Micellaneous:					
Sale of Property	\$ 480,000	\$ 480,000	\$ -	\$ -	\$ 480,000
Total miscellaneous	<u>480,000</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>480,000</u>
Total revenues	<u>480,000</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>480,000</u>
Expenditures:					
Current:					
Public Safety:					
Fire Station #7	6,463,500	37	-	248,473	248,510
Fire Station #1 Bay Expansion	616,500	533,832	-	338,398	872,230
Total expenditures	<u>7,080,000</u>	<u>533,869</u>	<u>-</u>	<u>586,871</u>	<u>1,120,740</u>
Revenues over (under) expenditures	<u>(6,600,000)</u>	<u>(53,869)</u>	<u>-</u>	<u>(586,871)</u>	<u>(640,740)</u>
Other Financing Sources (Uses):					
Proceeds from installment financing	<u>6,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (53,869)</u>	<u>\$ -</u>	<u>(586,871)</u>	<u>\$ (640,740)</u>
Fund Balance:					
Beginning of year – July 1				<u>(53,869)</u>	
End of year – June 30				<u>\$ (640,740)</u>	

Police Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule D-12

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues:					
Miscellaneous:					
Other	\$ -	\$ 19,604	\$ -	\$ -	\$ 19,604
Interest earnings	-	6,555	-	27	6,582
Total miscellaneous	-	26,159	-	27	26,186
Total revenues	-	26,159	-	27	26,186
Expenditures:					
Current:					
Public Safety:					
New Technology for Public Safety	3,596,358	2,655,371	-	-	2,655,371
Police Telecommunications Software	1,159,676	894,728	-	5,930	900,658
Police Storage Facility	1,832,314	1,626,554	-	-	1,626,554
Total expenditures	6,588,348	5,176,653	-	5,930	5,182,583
Revenues under expenditures	(6,588,348)	(5,150,494)	-	(5,903)	(5,156,397)
Other Financing Sources (Uses):					
Proceeds from installment financing	2,483,034	2,462,778	-	-	2,462,778
Bond proceeds	-	-	-	-	-
Transfer from other funds	4,218,456	3,972,389	-	-	3,972,389
Transfer to other funds	(113,142)	(875,072)	-	-	(875,072)
Total other financing sources	6,588,348	5,560,095	-	-	5,560,095
Revenues and other financing sources over expenditures	\$ -	\$ 409,601	\$ -	(5,903)	\$ 403,698
Fund Balance:					
Fund balance, beginning of year – July 1				409,601	
Fund balance, end of year – June 30				\$ 403,698	

Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Investment earnings	\$ -	\$ 55	\$ 55
Total revenues	<u>-</u>	<u>55</u>	<u>55</u>
Revenues over expenditures	<u>-</u>	<u>55</u>	<u>55</u>
Other Financing Sources (Uses):			
Appropriated fund balance	3,617,633	-	(3,617,633)
Increase in reserve	(2,205,587)	-	2,205,587
Transfers from other funds	2,205,587	2,205,587	-
Transfers to other funds	(3,617,633)	(3,617,633)	-
Total other financing sources	<u>-</u>	<u>(1,412,046)</u>	<u>(1,412,046)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,411,991)</u>	<u>\$ (1,411,991)</u>
Fund Balance:			
Fund balance, beginning of year – July 1		5,913,686	
Fund balance, end of year – July 1		<u>\$ 4,501,695</u>	

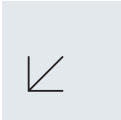


DEBT SERVICE FUND STATEMENTS

Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2021

Schedule E-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Revenues:			
Other taxes	\$ 743,711	\$ 783,891	\$ 40,180
Investment earnings	-	673	673
Total revenues	<u>743,711</u>	<u>784,564</u>	<u>40,853</u>
Expenditures:			
Current:			
Principal retirement	4,480,324	4,341,468	138,856
Interest and fees	1,463,207	1,073,492	389,715
Total expenditures	<u>5,943,531</u>	<u>5,414,960</u>	<u>528,571</u>
Revenues over (under) expenditures	<u>(5,199,820)</u>	<u>(4,630,396)</u>	<u>569,424</u>
Other Financing Sources:			
Appropriated fund balance	1,203,510	-	(1,203,510)
Transfers from other funds	5,199,820	5,199,820	-
Refunding debt issued	-	(1,645,000)	(1,645,000)
Payment for refunding debt	-	1,645,000	1,645,000
Transfers to other funds	(1,203,510)	(1,203,510)	-
Total other financing sources	<u>5,199,820</u>	<u>3,996,310</u>	<u>(1,203,510)</u>
Net change in fund balance	<u>\$ -</u>	<u>(634,086)</u>	<u>\$ (634,086)</u>
Fund Balance:			
Fund balance, beginning of year – July 1		<u>1,391,761</u>	
Fund balance, end of year – June 30		<u>\$ 757,675</u>	



PROPRIETARY
FUND FINANCIAL
STATEMENT

Electric Operating Fund – Major Enterprise Fund Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-1

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 173,840,184	\$ 171,600,161	\$ (2,240,023)	\$ 168,333,697
Fees and charges	1,542,995	1,779,019	236,024	1,727,012
Miscellaneous	2,455,891	2,453,795	(2,096)	502,904
Total operating revenues	<u>177,839,070</u>	<u>175,832,975</u>	<u>(2,006,095)</u>	<u>170,563,613</u>
Nonoperating Revenues:				
Interest on investments	380,000	393,533	13,533	986,260
FEMA/insurance reimbursements	195,117	195,117	-	293,486
Miscellaneous	1,164,254	2,118,631	954,377	651,561
Total nonoperating revenues	<u>1,739,371</u>	<u>2,707,281</u>	<u>967,910</u>	<u>1,931,307</u>
Total revenues	<u>179,578,441</u>	<u>178,540,256</u>	<u>(1,038,185)</u>	<u>172,494,920</u>
Expenditures:				
Electric Fund:				
Operations and maintenance		159,452,414		158,333,743
Capital outlay		10,333,130		10,188,931
Debt service		4,413,490		3,327,470
Total expenditures	<u>176,716,239</u>	<u>174,199,034</u>	<u>2,517,205</u>	<u>171,850,144</u>
Excess of revenues over expenditures	<u>2,862,202</u>	<u>4,341,222</u>	<u>1,479,020</u>	<u>644,776</u>
Other Financing Sources (Uses):				
Revenue bonds issued	37,798	30,077	(7,721)	-
Intrafund transfers out	(6,750,000)	(4,204,153)	2,545,847	-
Appropriated fund balance	3,850,000	-	(3,850,000)	(499,995)
Total other financing uses	<u>(2,862,202)</u>	<u>(4,174,076)</u>	<u>(1,311,874)</u>	<u>(499,995)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 167,146</u>	<u>\$ 167,146</u>	<u>\$ 144,781</u>

Reconciliation to full accrual basis from modified accrual basis:

Budgetary appropriations - capital	10,333,130	10,188,931
Budgetary appropriations - debt principal	2,047,265	1,350,098
Depreciation	(11,998,783)	(10,170,187)
Debt issued	(30,077)	-
Amortization of bond premium and discount	281,487	281,487
Amortization of deferred loss on refundings	(126,973)	(54,310)
Changes in accrued interest payable	10,690	(379,279)
Changes in unrealized gains/losses on investments	(343,078)	382,929
Intra-fund transfers	4,204,153	499,995
Changes in deferred outflows for OPEB	(8,263,446)	1,902,172
Changes in net OPEB liability	9,108,206	(3,114,026)
Changes in deferred inflows for OPEB	(358,100)	439,378
Changes in deferred outflows for pensions	(12,813)	(588,836)
Changes in net pension liability	(1,417,304)	(529,623)
Changes in deferred inflows for pensions	556,765	(14,998)
Revenue recognized in Rate Stabilization Fund	174,102	448,284
Revenue recognized in Capital Projects Fund	142,084	625,989
Total reconciling items	<u>4,307,308</u>	<u>1,268,004</u>
Changes in net position	<u>\$ 4,474,454</u>	<u>\$ 1,412,785</u>

Water Operating Fund – Major Enterprise Fund Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-2

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 22,441,773	\$ 22,845,024	\$ 403,251	\$ 22,565,044
Fees and charges	414,452	470,134	55,682	502,057
Miscellaneous	77,945	81,265	3,320	109,495
Total operating revenues	<u>22,934,170</u>	<u>23,396,423</u>	<u>462,253</u>	<u>23,176,596</u>
Nonoperating Revenues:				
Interest on investments	68,000	67,560	(440)	155,847
FEMA/Insurance reimbursements	15,392	15,392	-	36,504
Miscellaneous	173,261	188,824	15,563	309,715
Total nonoperating revenues	<u>256,653</u>	<u>271,776</u>	<u>15,123</u>	<u>502,066</u>
Total revenues	<u>23,190,823</u>	<u>23,668,199</u>	<u>477,376</u>	<u>23,678,662</u>
Expenditures:				
Water Fund				
Operations and maintenance		17,551,266		14,772,323
Capital outlay		1,571,693		1,429,393
Debt service		3,219,003		1,817,318
Total expenditures	<u>22,115,397</u>	<u>22,341,962</u>	<u>(226,565)</u>	<u>18,019,034</u>
Excess of revenues over expenditures	<u>1,075,426</u>	<u>1,326,237</u>	<u>250,811</u>	<u>5,659,628</u>
Other Financing Sources (Uses):				
Revenue bonds issued	2,324,574	2,294,153	(30,421)	-
Intrafund transfers out	(4,450,000)	(3,522,533)	927,467	(5,850,000)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
Capital contributions	-	637,195	637,195	942,272
Total other financing uses	<u>(1,075,426)</u>	<u>(591,185)</u>	<u>484,241</u>	<u>(4,907,728)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 735,052</u>	<u>\$ 735,052</u>	<u>\$ 751,900</u>

Reconciliation to full accrual basis from modified accrual basis:

Budgetary appropriations - capital	1,571,693	1,429,393
Budgetary appropriations - debt principal	1,455,837	997,319
Depreciation	(4,458,059)	(4,072,819)
Debt issued	(2,294,153)	-
Amortization of bond premium and discount	117,971	117,971
Amortization of deferred loss on refundings	(47,374)	(47,374)
Changes in accrued interest payable	(5,248)	(106,715)
Changes in unrealized gains/losses on investments	(69,031)	65,459
Intra-fund transfers	3,522,533	5,850,000
Changes in deferred outflows for OPEB	(4,434,044)	1,020,678
Changes in net OPEB liability	4,887,330	(1,670,941)
Changes in deferred inflows for OPEB	(192,151)	235,764
Changes in deferred outflows for pensions	(6,875)	(315,961)
Changes in net pension liability	(760,505)	(284,188)
Changes in deferred inflows for pensions	298,752	(8,048)
Revenue recognized in Capital Projects Fund	41,761	205,424
Revenue recognized in Capital Reserve Fund	321,282	420,212
Total reconciling items	<u>(50,281)</u>	<u>3,836,174</u>
Changes in net position	<u>\$ 684,771</u>	<u>\$ 4,588,074</u>

Sewer Operating Fund – Major Enterprise Fund Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-3

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 23,396,795	\$ 23,818,227	\$ 421,432	\$ 23,369,041
Fees and charges	379,467	501,385	121,918	459,081
Miscellaneous	201,559	200,140	(1,419)	113,024
Total operating revenues	23,977,821	24,519,752	541,931	23,941,146
Nonoperating Revenues:				
Interest on investments	72,000	66,225	(5,775)	180,071
FEMA/insurance reimbursements	41,528	41,528	-	37,344
Miscellaneous	69,973	77,980	8,007	83,974
Total nonoperating revenues	183,501	185,733	2,232	301,389
Total revenues	24,161,322	24,705,485	544,163	24,242,535
Expenditures:				
Sewer Fund:				
Operations and maintenance		16,550,213		13,775,976
Capital outlay		2,577,407		1,774,250
Debt service		5,536,217		5,519,461
Total expenditures	25,013,343	24,663,837	349,506	21,069,687
Excess of revenues over expenditures	(852,021)	41,648	893,669	3,172,848
Other Financing Sources (Uses):				
Revenue bonds issued	1,802,021	1,730,723	(71,298)	-
Intrafund transfer out	(2,000,000)	(1,683,336)	316,664	(3,675,279)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
Capital contributions	-	1,195,185	1,195,185	4,336,004
Total other financing uses	852,021	1,242,572	390,551	660,725
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 1,284,220	\$ 1,284,220	\$ 3,833,573

Reconciliation to full accrual basis from modified accrual basis:

Budgetary appropriations - capital	2,577,407	1,774,250
Budgetary appropriations - debt principal	3,681,674	3,927,485
Depreciation	(7,028,108)	(6,492,806)
Debt issued	(1,730,723)	-
Amortization of bond premium and discount	122,624	122,624
Amortization of deferred loss on refundings	(51,028)	(51,028)
Changes in accrued interest payable	(16,564)	(75,728)
Changes in unrealized gains/losses on investments	(94,730)	103,379
Intra-fund transfers	1,683,336	3,675,279
Changes in deferred outflows for OPEB	(4,232,496)	974,284
Changes in net OPEB liability	4,665,178	(1,594,989)
Changes in deferred inflows for OPEB	(183,417)	225,047
Changes in deferred outflows for pensions	(6,562)	(301,599)
Changes in net pension liability	(725,937)	(271,270)
Changes in deferred inflows for pensions	285,172	(7,682)
Revenue recognized in Capital Projects Fund	297,117	557,428
Revenue recognized in Capital Reserve Fund	367,901	432,436
Total reconciling items	(389,156)	2,997,110

Changes in net position

\$ 895,064

\$ 6,830,683

Gas Operating Fund – Major Enterprise Fund Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-4

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 33,088,775	\$ 33,040,070	\$ (48,705)	\$ 31,200,552
Fees and charges	173,134	195,481	22,347	193,063
Miscellaneous	70,976	72,504	1,528	98,108
Total operating revenues	<u>33,332,885</u>	<u>33,308,055</u>	<u>(24,830)</u>	<u>31,491,723</u>
Nonoperating Revenues:				
Interest on investments	120,000	114,473	(5,527)	282,475
FEMA/insurance reimbursements	13,468	13,468	-	39,754
Miscellaneous	140,342	221,961	81,619	310,775
Total nonoperating revenues	<u>273,810</u>	<u>349,902</u>	<u>76,092</u>	<u>633,004</u>
Total revenues	<u>33,606,695</u>	<u>33,657,957</u>	<u>51,262</u>	<u>32,124,727</u>
Expenditures:				
Gas Fund:				
Operations and maintenance		27,518,099		27,120,364
Capital outlay		1,486,377		1,130,455
Debt service		1,594,802		1,241,921
Total expenditures	<u>31,815,786</u>	<u>30,599,278</u>	<u>1,216,508</u>	<u>29,492,740</u>
Excess of revenues over (under) expenditures	<u>1,790,909</u>	<u>3,058,679</u>	<u>1,267,770</u>	<u>2,631,987</u>
Other Financing Sources (Uses):				
Revenue bonds issued	9,091	7,234	(1,857)	-
Intrafund transfers out	(2,850,000)	(2,950,000)	(100,000)	(2,250,268)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
Total other financing sources (uses)	<u>(1,790,909)</u>	<u>(2,942,766)</u>	<u>(1,151,857)</u>	<u>(2,250,268)</u>
Revenues and other financing sources under expenditures and other financing uses	<u>\$ -</u>	<u>\$ 115,913</u>	<u>\$ 115,913</u>	<u>\$ 381,719</u>

Reconciliation to Full Accrual Basis From Modified Accrual Basis:

Budgetary appropriations - capital	1,486,377	1,130,455
Budgetary appropriations - debt principal	844,586	578,747
Depreciation	(2,712,742)	(2,336,214)
Debt issued	(7,234)	-
Amortization of bond premium and discount	83,678	83,678
Amortization of deferred loss on refundings	(38,820)	(21,344)
Changes in accrued interest payable	5,956	(89,321)
Changes in unrealized gains/losses on investments	(126,697)	129,745
Intra-fund transfers	2,950,000	2,250,268
Changes in deferred outflows for OPEB	(3,224,759)	742,311
Changes in net OPEB liability	3,554,421	(1,215,229)
Changes in deferred inflows for OPEB	(139,746)	171,464
Changes in deferred outflows for pensions	(5,000)	(229,790)
Changes in net pension liability	(553,096)	(206,682)
Changes in deferred inflows for pensions	217,275	(5,853)
Revenue recognized in Rate Stabilization Fund	15,181	29,879
Revenue recognized in Capital Projects Fund	76,050	249,772
Total reconciling items	<u>2,425,430</u>	<u>1,261,886</u>
Changes in net position	<u>\$ 2,541,343</u>	<u>\$ 1,643,605</u>

Stormwater Utility Fund – Major Enterprise Fund Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-5

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 6,059,820	\$ 6,131,625	\$ 71,805	\$ 6,102,419
Other operating revenue	-	-	-	211
Total operating revenues	6,059,820	6,131,625	71,805	6,102,630
Expenditures:				
Administrative and general	228,878	100,233	128,645	147,777
Operations and maintenance	541,832	456,873	84,959	503,758
Salaries and benefits	3,139,063	1,598,613	1,540,450	1,239,285
Capital outlay	2,349,574	1,064,579	1,284,995	1,075,988
Retirement of long-term debt	332,913	2,015,709	(1,682,796)	393,291
Interest paid	148,361	400,175	(251,814)	27,519
Indirect cost reimbursement	435,791	435,791	-	435,791
Total operating expenses	7,176,412	6,071,973	1,104,439	3,823,409
Revenues over expenditures	(1,116,592)	59,652	1,176,244	2,279,221
Other Financing Sources (Uses):				
Capital contributions	-	719,506	719,506	1,257,315
Transfers to other funds	(1,296,265)	-	1,296,265	(2,238,590)
Appropriated fund balance	2,412,857	-	(2,412,857)	-
Total other financing sources (uses)	1,116,592	719,506	(397,086)	(981,275)
Revenues and other financing sources (uses) over expenditures and other financing uses	\$ -	779,158	\$ 779,158	1,297,946
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Full accrual change in net position-capital projects		-		2,238,590
Depreciation		(315,939)		(211,914)
Amortization of refunding loss		-		(7,847)
Increase in deferred outflows of resources - pensions		102,361		(28,626)
Increase in deferred outflows of resources - OPEB		1,085,797		12,800
Decrease (increase) in net pension liability		(233,908)		(54,085)
Decrease (increase) in net OPEB liability		(1,622,283)		20,906
(Increase) decrease in deferred inflows of resources - pensions		726		7,510
(Increase) decrease in deferred inflows of resources - OPEB		(8,180)		10,210
Capital outlay		153,496		488,436
Payment of debt principal		2,015,709		393,291
Change in net position		\$ 1,956,937		\$ 4,167,217

Enterprise Capital Projects Fund – Major Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
From Inception and Year Ended June 30, 2021

Schedule F-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues:					
Miscellaneous:					
Other	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Interest earnings	-	156	-	-	156
Total miscellaneous	-	10,156	-	-	10,156
Interest earned on investments	-	-	-	-	-
Total revenues	-	10,156	-	-	10,156
Expenditures:					
Current:					
Stormwater:					
Stormwater Drainage Maintenance	199,828	124,611	-	-	124,611
Watershed	7,265,270	4,846,328	-	351,203	5,197,531
Town Creek Culvert	34,292,975	28,464,128	-	3,915,626	32,379,754
Total expenditures	41,758,073	33,435,067	-	4,266,829	37,701,896
Revenues under expenditures	(41,758,073)	(33,424,911)	-	(4,266,829)	(37,691,740)
Other Financing Sources (Uses):					
Capital Contributions	195,490	179,747	-	-	179,747
State revolving loan	30,540,283	29,629,266	-	2,049,961	31,679,227
Transfers from other funds	12,103,472	11,589,370	-	-	11,589,370
Transfer to other funds	(1,081,172)	(1,081,172)	-	-	(1,081,172)
Total other financing sources	41,758,073	40,317,211	-	2,049,961	42,367,172
Revenues and other financing sources over (under) expenditures	\$ -	\$ 6,892,300	\$ -	(2,216,868)	\$ 4,675,432
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:					
Debt proceeds				(2,049,961)	
Capital outlay				4,266,829	
Change in net position				\$ -	

Nonmajor Enterprise Funds
Combining Statement of Fund Net Position
June 30, 2021

Schedule F-7

	Public Transportation Fund	Sanitation Fund	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 1	\$ 3,944,553	\$ 3,944,554
Accounts receivable, net	640,693	969,368	1,610,061
Due from other governments	181	699	880
Due from other funds	-	-	-
Inventories	-	-	-
Prepaid items	350	12,000	12,350
Restricted cash, cash equivalents, and investments	-	-	-
Total current assets	<u>641,225</u>	<u>4,926,620</u>	<u>5,567,845</u>
Noncurrent Assets:			
Construction in progress	-	-	-
Other capital assets, net of depreciation	1,648,755	93,095	1,741,850
Total noncurrent assets	<u>1,648,755</u>	<u>93,095</u>	<u>1,741,850</u>
Total assets	<u>2,289,980</u>	<u>5,019,715</u>	<u>7,309,695</u>
Deferred outflows of resources - refunding charges	-	-	-
Deferred outflows of resources - pensions	185,429	548,715	734,144
Deferred outflows of resources - OPEB	653,156	1,938,264	2,591,420
Total deferred outflows of resources	<u>838,585</u>	<u>2,486,979</u>	<u>3,325,564</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	28,300	322,426	350,726
Due to other funds	583,619	484	584,103
Current portion of compensated absences	19,363	147,782	167,145
Current maturities of long-term debt	-	112,142	112,142
Total current liabilities	<u>631,282</u>	<u>582,834</u>	<u>1,214,116</u>
Noncurrent Liabilities:			
Net pension liability	351,262	1,039,442	1,390,704
Noncurrent portion of compensated absences	8,299	63,335	71,634
Net OPEB liability	1,522,181	4,517,118	6,039,299
Noncurrent portion of long-term debt	-	58,831	58,831
Total noncurrent liabilities	<u>1,881,742</u>	<u>5,678,726</u>	<u>7,560,468</u>
Total liabilities	<u>2,513,024</u>	<u>6,261,560</u>	<u>8,774,584</u>
Deferred inflow of resources - pensions	5,663	16,758	22,421
Deferred inflow of resources - OPEB	66,966	198,722	265,688
Total deferred inflows of resources	<u>72,629</u>	<u>215,480</u>	<u>288,109</u>
Net Position:			
Net investment in capital assets	1,648,755	(77,878)	1,570,877
Unrestricted	(1,105,843)	1,107,532	1,689
Total net position	<u>\$ 542,912</u>	<u>\$ 1,029,654</u>	<u>\$ 1,572,566</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2021

	Public Transportation Fund	Sanitation Fund	Total
Operating Revenues:			
Charges for services	\$ 11,219	\$ 8,238,767	\$ 8,249,986
Other operating revenues	50,887	99,429	150,316
Total operating revenue	<u>62,106</u>	<u>8,338,196</u>	<u>8,400,302</u>
Operating Expenses:			
Administrative and general	76,560	-	76,560
Salaries and benefits	1,357,723	2,894,258	4,251,981
Operations and maintenance	1,193,758	4,269,395	5,463,153
Indirect cost reimbursement	-	-	-
Depreciation and amortization	337,982	29,623	367,605
Total operating expenses	<u>2,966,023</u>	<u>7,193,276</u>	<u>10,159,299</u>
Operating income (loss)	<u>(2,903,917)</u>	<u>1,144,920</u>	<u>(1,758,997)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	-	-	-
Federal grants	2,288,331	-	2,288,331
Loss on disposal of capital assets	-	-	-
Bond issuance costs	-	-	-
Interest expense	-	(6,036)	(6,036)
Total nonoperating revenue (expenses)	<u>2,288,331</u>	<u>(6,036)</u>	<u>2,282,295</u>
Income (loss) before contributions and transfers	<u>(615,586)</u>	<u>1,138,884</u>	<u>523,298</u>
Transfers In (Out) and Capital Contributions:			
Capital contributions	-	-	-
State revolving loan	-	-	-
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Total transfers in (out) and capital contributions:	-	-	-
Change in net position	<u>(615,586)</u>	<u>1,138,884</u>	<u>523,298</u>
Net position, beginning of year - July 1	<u>1,158,498</u>	<u>(109,230)</u>	<u>1,049,268</u>
Net position, end of year - June 30	<u>\$ 542,912</u>	<u>\$ 1,029,654</u>	<u>\$ 1,572,566</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year Ended June 30, 2021

Schedule F-9

	Public Transportation Fund	Sanitation Fund	Total
Cash flows from Operating Activities:			
Cash received from customers	\$ (60,778)	\$ 8,344,739	\$ 8,283,961
Cash paid to vendors	(1,318,247)	(4,225,191)	(5,543,438)
Cash paid to employees	(1,229,008)	(2,530,112)	(3,759,120)
Net cash provided (used) by operating activities	<u>(2,608,033)</u>	<u>1,589,436</u>	<u>(1,018,597)</u>
Cash from Noncapital Financing Activities:			
Repayment of principal of long-term debt	-	(159,030)	(159,030)
Interest and other financing costs	-	(6,036)	(6,036)
Borrowing/Repayments from/to other funds	319,702	-	319,702
Federal and State grants	2,288,331	-	2,288,331
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>2,608,033</u>	<u>(165,066)</u>	<u>2,442,967</u>
Net increase (decrease) in cash and cash equivalents	-	1,424,370	1,424,370
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>1</u>	<u>2,520,183</u>	<u>2,520,184</u>
End of year - June 30	<u>\$ 1</u>	<u>\$ 3,944,553</u>	<u>\$ 3,944,554</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (2,903,917)	\$ 1,144,920	\$ (1,758,997)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	337,982	29,623	367,605
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(122,884)	6,542	(116,342)
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in deferred outflow of resources -pensions	(12,296)	(58,589)	(70,885)
(Increase) decrease in deferred outflows of resources -OPEB	(619,586)	(1,836,295)	(2,455,881)
Increase (decrease) in net pension liability	55,388	181,671	237,059
Increase (decrease) in deferred inflows of resources -pensions	(1,016)	(70)	(1,086)
Increase (decrease) in deferred inflows of resources -OPEB	(18,173)	(59,889)	(78,062)
Increase (decrease) in accounts payable	(47,929)	44,205	(3,724)
Increase (decrease) in compensated absences payable	(209)	42,831	42,622
Increase (decrease) in OPEB liability	724,607	2,094,487	2,819,094
Net cash provided (used) by operating activities	<u>\$ (2,608,033)</u>	<u>\$ 1,589,436</u>	<u>\$ (1,018,597)</u>

**Public Transportation - Nonmajor Enterprise Funds
Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP)**

Schedule F-10

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 251,670	\$ 11,219	\$ (240,451)	\$ 175,657
Public transportation planning, operating, and capital grants	2,943,006	2,288,331	(654,675)	1,563,374
Other operating revenues	36,000	50,887	14,887	102,449
Total operating revenues	<u>3,230,676</u>	<u>2,350,437</u>	<u>(880,239)</u>	<u>1,841,480</u>
Expenditures:				
Administrative and general	249,983	76,560	173,423	200,274
Operations and maintenance	1,158,053	746,534	411,519	700,385
Salaries and benefits	1,321,550	1,357,723	(36,173)	1,434,713
Capital outlay	514,332	318,509	195,823	365,001
Total operating expenditures	<u>3,243,918</u>	<u>2,499,326</u>	<u>744,592</u>	<u>2,700,373</u>
Revenues over (under) expenditures	<u>(13,242)</u>	<u>(148,889)</u>	<u>(135,647)</u>	<u>(858,893)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	13,242	-	13,242	-
Transfers from other funds	-	-	-	790,551
Total other financing sources (uses)	13,242	-	13,242	790,551
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (148,889)</u>	<u>\$ (148,889)</u>	<u>\$ (68,342)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(337,982)		(377,809)
Loss on disposal of capital assets		-		-
Capital outlay		-		-
Increase in deferred outflows of resources - pensions		12,296		(22,674)
Increase in deferred outflows of resources - OPEB		619,586		5,728
Decrease (increase) in net pension liability		(55,388)		(42,840)
Change in net OPEB liability		(724,607)		38,872
(Increase) decrease in deferred inflows of resources - pensions		1,016		5,948
(Increase) decrease in deferred inflows of resources - OPEB		18,173		25,635
Change in accrued compensated absences		209		4,699
Change in net position		<u>\$ (615,586)</u>		<u>\$ (430,783)</u>

Sanitation Fund – Nonmajor Enterprise Funds
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)

Schedule F-11

Year Ended June 30, 2021

With Comparative Actual Amounts for Year Ended June 30, 2020

	2021		Variance Positive/ Negative	2020
	Budget	Actual		Actual
Operating Revenues:				
Charges for services	\$ 7,700,360	\$ 8,238,767	\$ 538,407	\$ 7,732,559
Grant revenue	29,955	-	(29,955)	-
Other operating revenues	195,500	99,429	(96,071)	128,655
Total operating revenues	<u>7,925,815</u>	<u>8,338,196</u>	<u>412,381</u>	<u>7,861,214</u>
Operating Expenditures:				
Operations and maintenance	3,572,544	2,990,587	581,957	3,202,864
Salaries and benefits	3,024,516	2,894,258	130,258	3,059,833
Capital outlay	150,000	-	150,000	-
Principal retirement	-	159,030	(159,030)	157,142
Interest paid	-	6,036	(6,036)	11,708
Indirect cost reimbursement	914,662	914,662	-	914,662
Total operating expenditures	<u>7,661,722</u>	<u>6,964,573</u>	<u>697,149</u>	<u>7,346,209</u>
Revenues over expenditures	<u>264,093</u>	<u>1,373,623</u>	<u>1,109,530</u>	<u>515,005</u>
Other Financing Sources (Uses):				
Appropriated fund balance	105,666	-	(105,666)	-
Transfers to other funds	(369,759)	-	369,759	(250,000)
Total other financing sources (uses)	<u>(264,093)</u>	<u>-</u>	<u>264,093</u>	<u>(250,000)</u>
Revenues and other financing sources (uses) over expenditures and other financing uses	<u>\$ -</u>	<u>1,373,623</u>	<u>\$ 1,373,623</u>	<u>265,005</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Depreciation		(29,623)		(29,623)
Decrease/(increase) in deferred outflows of resources - pensions		58,590		(68,872)
(Decrease)/increase in deferred outflows of resources - OPEB		1,836,294		19,708
Decrease in net pension liability		(181,671)		(130,126)
Increase in net OPEB liability		(2,094,487)		(32,238)
Decrease/(increase) in deferred inflows of resources - pensions		70		18,068
Decrease/(increase) in deferred inflows of resources - OPEB		59,889		68,677
Payment of debt principal		159,030		157,142
Change in accrued compensated absences		(42,831)		7,111
Change in net position		<u>\$ 1,138,884</u>		<u>\$ 274,852</u>



INTERNAL SERVICE FUND STATEMENT



Internal Service Funds
Combining Statement of Fund Net Position
June 30, 2021

Schedule G-1

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Assets:					
Current Assets:					
Cash, cash equivalents, and investments	\$ 5,445,039	\$ -	\$ 1	\$ 949,929	\$ 6,394,969
Accounts receivable	-	71,417	-	-	71,417
Due from other funds	-	42,755	-	-	42,755
Prepaid items	-	-	214,132	-	214,132
Due from other governments	-	-	1,000	-	1,000
Inventories	-	-	-	-	-
Restricted cash, cash equivalents, and investments	-	7,439,721	-	-	7,439,721
Total current assets	5,445,039	7,553,893	215,133	949,929	14,163,994
Noncurrent Assets:					
Construction in process	190,096	-	-	-	190,096
Other capital assets, net	14,696,097	65,577	32,603	635,224	15,429,501
Total noncurrent assets	14,886,193	65,577	32,603	635,224	15,619,597
Total assets	20,331,232	7,619,470	247,736	1,585,153	29,783,591
Deferred outflows of resources - pensions	-	-	313,881	-	313,881
Deferred outflows of resources - OPEB	-	-	1,106,973	-	1,106,973
Total deferred outflows of resources	-	-	1,420,854	-	1,420,854
Liabilities:					
Current Liabilities:					
Accounts payable	214,339	1,714,206	94,294	6,001	2,028,840
Due to other funds	947	-	611,578	-	612,525
Total current liabilities	215,286	1,714,206	705,872	6,001	2,641,365
Noncurrent Liabilities:					
Net OPEB Liability	-	-	2,579,798	-	2,579,798
Net Pension Liability	-	-	594,590	-	594,590
Total noncurrent liabilities	-	-	3,174,388	-	3,174,388
Total liabilities	215,286	1,714,206	3,880,260	6,001	5,815,753
Deferred inflows of resources - pensions	-	-	9,586	-	9,586
Deferred inflows of resources - OPEB	-	-	113,494	-	113,494
Total deferred inflows of resources	-	-	123,080	-	123,080
Net Position:					
Net investment in capital assets	14,886,193	65,577	32,603	635,224	15,619,597
Restricted for Insurance	-	7,439,721	-	-	7,439,721
Unrestricted	5,229,753	(1,600,034)	(2,367,353)	943,928	2,206,294
Total net position	\$ 20,115,946	\$ 5,905,264	\$ (2,334,750)	\$ 1,579,152	\$ 25,265,612

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended June 30, 2021

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Operating Revenues:					
Charges for services	\$ 4,444,833	\$ 14,037,962	\$ 3,589,593	\$ -	\$ 22,072,388
Other operating revenues	182,433	2,643	-	-	185,076
Total operating revenues	4,627,266	14,040,605	3,589,593	-	22,257,464
Operating Expenses:					
Administration	-	585,459	-	-	585,459
Operations and maintenance	-	-	2,608,375	1,579,983	4,188,358
Salaries and benefits	-	-	1,787,348	-	1,787,348
Depreciation	2,899,231	4,120	4,417	71,684	2,979,452
Claims and payments to third-party administrators	-	11,774,969	-	-	11,774,969
Total operating expenses	2,899,231	12,364,548	4,400,140	1,651,667	21,315,586
Operating income (loss)	1,728,035	1,676,057	(810,547)	(1,651,667)	941,878
Operating income (loss) before contributions and transfers	1,728,035	1,676,057	(810,547)	(1,651,667)	941,878
Transfers In and Capital Contributions:					
Transfers to other funds	-	-	-	(140,000)	(140,000)
Transfers from other funds	-	-	1,255,493	1,350,000	2,605,493
Total transfers in and capital contributions	-	-	1,255,493	1,210,000	2,465,493
Change in net position	1,728,035	1,676,057	444,946	(441,667)	3,407,371
Net Position:					
Net position, beginning of year – July 1	18,387,911	4,229,207	(2,779,696)	2,020,819	21,858,241
Net position, end of year – June 30	\$ 20,115,946	\$ 5,905,264	\$ (2,334,750)	\$ 1,579,152	\$ 25,265,612

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2021

Schedule G-3

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Facilities Improvement Fund	Total
Cash Flows from Operating Activities:					
Cash received from customers	\$ 4,799,814	\$ 14,264,352	\$ 3,590,174	\$ -	\$ 22,654,340
Cash paid to vendors	-	(12,290,710)	(2,629,256)	(1,615,969)	(16,535,935)
Cash paid to employees	-	-	(1,546,838)	-	(1,546,838)
Net cash provided (used) by operating activities	<u>4,799,814</u>	<u>1,973,642</u>	<u>(585,920)</u>	<u>(1,615,969)</u>	<u>4,571,567</u>
Cash Flows from Noncapital Financing Activities:					
Transfers from other funds	-	-	1,255,493	1,350,000	2,605,493
Repayments to (from) other funds	-	(12)	(644,076)	(140,000)	(784,088)
Net cash provided (used) by noncapital financing activities	-	(12)	611,417	1,210,000	1,821,405
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(1,335,751)	-	(25,497)	-	(1,361,248)
Net cash used by capital and related financing activities	<u>(1,335,751)</u>	-	<u>(25,497)</u>	-	<u>(1,361,248)</u>
Net increase in cash and cash equivalents	3,464,063	1,973,630	-	(405,969)	5,031,724
Cash and Cash Equivalents					
Beginning of year – July 1	1,980,976	5,466,091	1	1,355,898	8,802,966
End of year – June 30	<u>\$ 5,445,039</u>	<u>\$ 7,439,721</u>	<u>\$ 1</u>	<u>\$ 949,929</u>	<u>\$ 13,834,690</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,728,035	\$ 1,676,057	\$ (810,547)	\$ (1,651,667)	\$ 941,878
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,899,231	4,120	4,417	71,684	2,979,452
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	223,747	581	-	224,328
Decrease in pension asset	-	-	-	-	-
Change in deferred outflow of resources - pensions	-	-	(46,704)	-	(46,704)
Change in deferred outflow of resources - OPEB	-	-	(1,050,534)	-	(1,050,534)
Increase in prepaids	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	-
Change in net pension liability	-	-	127,809	-	127,809
Change in net OPEB liability	-	-	1,238,877	-	1,238,877
Change in deferred inflows of resources - pensions	-	-	709	-	709
Change in deferred inflows of resources - OPEB	-	-	(29,647)	-	(29,647)
Change in accounts payable	172,548	69,718	(20,881)	(35,986)	185,399
Net cash provided (used) by operating activities	<u>\$ 4,799,814</u>	<u>\$ 1,973,642</u>	<u>\$ (585,920)</u>	<u>\$ (1,615,969)</u>	<u>\$ 4,571,567</u>

Vehicle Replacement – Internal Service Funds
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP)
Year Ended June 30, 2021

Schedule G-4

	Financial Plan	Actual	Variance Positive/ Negative
Operating Revenues:			
Charges for services	\$ 4,096,588	\$ 4,444,833	\$ 348,245
Other operating revenues	278,460	182,433	(96,027)
Total operating revenues	<u>4,375,048</u>	<u>4,627,266</u>	<u>252,218</u>
Operating Expenditures:			
Capital outlay	4,889,656	1,335,898	3,553,758
Total operating expenditures	<u>4,889,656</u>	<u>1,335,898</u>	<u>3,553,758</u>
Revenues over (under) expenditures	<u>(514,608)</u>	<u>3,291,368</u>	<u>3,805,976</u>
Other Financing Sources (Uses):			
Fund balance appropriated	514,608	-	(514,608)
Total other financing sources (uses)	<u>514,608</u>	<u>-</u>	<u>(514,608)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	<u>3,291,368</u>	<u>\$ 3,291,368</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		(2,899,231)	
Capital outlay		<u>1,335,898</u>	
Change in net position		<u>\$ 1,728,035</u>	

Health Insurance – Internal Service Funds
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP)
Year Ended June 30, 2021

Schedule G-5

	Financial Plan	Actual	Variance Positive/ Negative
Operating Revenues:			
Charges for services	\$ 13,501,849	\$ 14,037,962	\$ 536,113
Other operating revenues	-	2,643	2,643
Total operating revenues	<u>13,501,849</u>	<u>14,040,605</u>	<u>538,756</u>
Operating Expenditures:			
Administration	789,141	585,459	(203,682)
Payment to third party administrator	12,968,767	11,774,969	(1,193,798)
Total operating expenditures	<u>13,757,908</u>	<u>12,360,428</u>	<u>(1,397,480)</u>
Revenues over (under) expenditures	<u>(256,059)</u>	<u>1,680,177</u>	<u>1,936,236</u>
Other Financing Sources (Uses):			
Appropriated fund balance	256,059	-	(256,059)
Total other financing sources (uses)	<u>256,059</u>	<u>-</u>	<u>(256,059)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	<u>1,680,177</u>	<u>\$ 1,680,177</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		(4,120)	
Change in net position		<u>\$ 1,676,057</u>	

Fleet Maintenance – Internal Service Funds
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP)
Year Ended June 30, 2021

Schedule G-6

	Financial Plan	Actual	Variance Positive/ Negative
Operating Revenues:			
Charges for services	\$ 4,923,234	\$ 3,589,593	\$ (1,333,641)
Total operating revenues	<u>4,923,234</u>	<u>3,589,593</u>	<u>(1,333,641)</u>
Operating Expenditures:			
Salaries and benefits	1,574,733	1,787,348	(212,615)
Operating and maintenance	4,610,389	2,608,375	2,002,014
Capital outlay	35,000	25,497	9,503
Total operating expenditures	<u>6,220,122</u>	<u>4,421,220</u>	<u>1,798,902</u>
Revenues over (under) expenditures	<u>(1,296,888)</u>	<u>(831,627)</u>	<u>465,261</u>
Other Financing Sources (Uses):			
Appropriated fund balance	41,395	-	41,395
Transfers from other funds	1,255,493	1,255,493	
Transfer to other funds	-	-	-
Total other financing sources (uses)	<u>1,296,888</u>	<u>1,255,493</u>	<u>41,395</u>
Revenues and other financing sources (uses) over expenditures and other financing uses	<u>\$ -</u>	<u>423,866</u>	<u>\$ 423,866</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Capital Outlay		25,498	
Decrease in deferred outflows of resources - pensions		46,704	
Increase in deferred outflows of resources - OPEB		1,050,534	
Increase in net pension liability		(127,809)	
Increase in net OPEB liability		(1,238,877)	
Decrease in deferred inflows of resources - pensions		(709)	
Decrease in deferred inflows of resources - OPEB		29,647	
Change in net position		<u>\$ 208,854</u>	

Facilities Improvement – Internal Service Funds
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP)
Year Ended June 30, 2021

Schedule G-7

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/ Negative</u>
Operating Revenues:			
Charges for services	\$ -	\$ -	\$ -
Other operating revenues	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenditures:			
Capital outlay	3,693,269	1,579,983	2,113,286
Total operating expenditures	<u>3,693,269</u>	<u>1,579,983</u>	<u>2,113,286</u>
Revenues over (under) expenditures	(3,693,269)	(1,579,983)	2,113,286
Other Financing Sources (Uses):			
Appropriated fund balance	2,733,269	-	(2,733,269)
Transfers to other funds	(140,000)	(140,000)	-
Transfers from other funds	1,100,000	1,350,000	250,000
Total other financing sources (uses)	<u>3,693,269</u>	<u>1,210,000</u>	<u>(2,483,269)</u>
Revenues and other financing sources (uses) under expenditures and other financing uses	<u>\$ -</u>	<u>(369,983)</u>	<u>\$ (369,983)</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Depreciation		<u>(71,684)</u>	
Change in net position		<u>\$ (441,667)</u>	



STATISTICAL SECTION





STATISTICAL SECTION

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

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

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

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

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

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.

Net Position By Component

Table 1

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 136,640	\$ 140,382	\$ 144,769	\$ 154,684	\$ 157,082	\$ 160,375	\$ 159,151	\$ 171,216	\$ 181,845	\$ 190,464
Restricted	-	-	-	-	-	-	-	-	-	-
Stabilization of State Statute	8,998	7,591	8,228	13,594	8,322	6,516	7,714	14,885	8,259	22,079
Restricted for Streets	-	2,629	2,296	2,236	1,717	1,179	1,001	702	376	1,873
General Government	-	-	84	76	105	109	684	108	103	86
Economic Development	-	-	-	56	4,177	2,611	390	1,124	6,661	366
Transportation	1,838	-	-	-	-	-	-	-	-	-
Public Safety	-	560	706	821	858	872	374	149	560	472
Cultural and Recreational	-	101	102	102	117	66	-	-	63	3,412
Donations	-	-	-	-	-	-	-	-	269	254
Debt Service	-	-	-	-	-	-	771	1,303	1,725	-
Insurance	-	-	-	-	-	-	6,907	3,234	5,466	7,440
Other	6,175	-	-	-	-	669	-	-	-	-
Unrestricted	18,142	36,640	36,849	23,638	29,243	23,715	(3,244)	(5,769)	(12,349)	(24,994)
Total Governmental activities net position	\$ 171,793	\$ 187,903	\$ 193,034	\$ 195,207	\$ 201,621	\$ 196,112	\$ 173,748	\$ 186,952	\$ 192,978	\$ 201,455
Business-type activities										
Net investment in capital assets	\$ 242,482	\$ 25,112	\$ 258,006	\$ 277,248	\$ 272,073	\$ 274,323	\$ 287,024	\$ 293,264	\$ 303,498	\$ 317,611
Unrestricted	81,410	81,243	80,345	70,155	105,097	118,131	101,309	118,145	126,398	123,360
Total business-type activities net assets	\$ 323,892	\$ 106,355	\$ 338,351	\$ 347,403	\$ 377,170	\$ 392,454	\$ 388,333	\$ 411,409	\$ 429,896	\$ 440,972
Primary government										
Net investment in capital assets	\$ 379,122	\$ 391,502	\$ 402,775	\$ 431,932	\$ 429,155	\$ 434,698	\$ 446,175	\$ 464,480	\$ 485,343	\$ 508,076
Restricted	-	-	-	-	-	-	-	-	-	-
Stabilization of State Statute	8,998	759	8,228	13,594	8,322	6,516	7,714	14,885	8,259	22,079
Restricted for Streets	-	2,629	2,296	2,236	1,717	1,179	1,001	702	376	1,873
General Government	-	-	84	76	105	109	684	108	103	86
Economic Development	-	-	-	56	4,177	2,611	390	1,124	6,660	365
Transportation	1,838	-	-	-	-	-	-	-	-	-
Public Safety	-	560	706	821	858	872	374	149	560	472
Cultural and Recreational	-	101	102	102	117	66	-	-	63	3,412
Donations	-	-	-	-	-	-	-	-	269	254
Debt	-	-	-	-	-	-	771	1,303	1,725	-
Insurance	-	-	-	-	-	-	6,907	3,234	5,466	7,440
Other	6,175	-	-	-	-	669	-	-	-	-
Unrestricted	99,552	117,883	117,194	93,793	134,340	141,846	98,065	112,376	114,049	98,367
Total primary government net position	\$ 495,685	\$ 513,434	\$ 531,385	\$ 542,610	\$ 578,791	\$ 588,566	\$ 562,081	\$ 598,361	\$ 622,873	\$ 642,425

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.

Changes In Net Position

Table 2

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 1,048	\$ 21,603	\$ 1,996	\$ 25,011	\$ 28,647	\$ 34,019	\$ 2,817	\$ 29,324	\$ 34,035	\$ 28,910
Public safety	39,385	29,712	28,939	26,262	26,907	27,583	28,561	27,551	30,707	34,883
Transportation	10,326	7,593	7,462	5,939	7,172	6,514	8,013	10,309	7,162	13,512
Environmental protection	-	-	-	-	-	3,534	1,454	1,229	-	-
Economic and physical development	6,065	14,501	13,497	10,781	11,081	12,655	11,427	10,374	9,058	8,783
Culture and recreation	11,503	3,688	3,204	5,765	4,589	4,802	9,296	9,393	10,194	10,374
Interest on long-term debt	1,657	826	894	1,034	949	1,307	1,158	1,113	1,163	1,134
Total governmental activities	69,984	77,923	55,992	74,792	79,345	90,414	62,726	89,293	92,319	97,594
Business-type activities:										
Electric	191,269	192,058	195,184	18,901	157,839	167,127	164,003	168,797	167,599	169,204
Water	16,403	15,857	16,237	16,201	16,281	17,138	17,586	19,298	20,724	23,915
Sewer	16,208	16,837	17,333	17,667	18,261	19,761	20,649	21,503	22,841	25,576
Gas	24,947	26,189	32,519	31,718	25,519	27,803	34,791	32,532	29,176	29,416
Public Transportation	2,178	2,499	2,459	3,406	213	2,377	2,693	3,019	3,063	2,966
Bradford Creek	930	-	-	-	-	-	-	-	-	-
Stormwater Utility	3,119	2,904	2,945	5,837	2,526	2,465	321	4,709	3,193	4,894
Sanitation	6,643	6,792	7,358	6,941	6,115	6,697	6,808	7,386	7,336	7,199
Total business-type activities	261,697	263,136	266,677	100,671	226,754	243,368	246,851	257,244	253,932	263,170
Total expenses	\$ 331,681	\$ 341,059	\$ 322,669	\$ 175,463	\$ 306,099	\$ 333,782	\$ 309,577	\$ 346,537	\$ 346,251	\$ 360,764
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 314	\$ 4,052	\$ 4,829	\$ 336	\$ 3,959	\$ 7,201	\$ 4,223	\$ 5,474	\$ 1,610	\$ 3,645
Public safety	5,545	436	4,149	5,542	4,686	4,231	6,349	5,045	5,577	4,872
Transportation	247	190	180	293	195	203	36	136	127	91
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	19	19	19	19	19	19	-	-	-
Culture and recreation	1,354	112	1,088	1,093	1,939	1,953	1,248	107	815	1,748
Operating grants and contributions	982	4,523	354	3,211	2,505	3,675	3,351	3,017	4,904	7,803
Capital grants and contributions	4,091	3,975	3,214	2,788	6,916	5,912	10,969	8,775	10,348	7,826
Total governmental activities program revenues	12,533	13,307	13,833	13,282	20,219	23,194	26,195	22,554	23,381	25,985
Business-type activities:										
Charges for services:										
Electric	196,531	19,768	202,308	199,711	181,932	178,171	178,284	17,923	171,665	178,147
Water	16,462	16,321	16,526	17,465	18,587	20,009	20,647	22,203	23,934	23,916
Sewer	17,971	18,257	18,218	19,566	21,577	23,268	23,778	25,187	24,484	25,000
Gas	3,044	3,182	35,481	36,688	27,684	28,787	36,535	36,202	31,842	33,543

Changes in Net Position (Continued)

Table 2

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Transportation	314	359	330	402	284	243	251	293	278	62
Bradford Creek	860	-	-	-	-	-	-	-	-	-
Stormwater Utility	2,962	3,117	367	4,354	4,905	5,537	6,064	6,153	6,103	6,132
Sanitation	5,408	663	6,814	7,204	746	7,256	7,554	779	7,861	8,338
Operating grants and contributions	1,009	-	901	804	-	1,463	1,103	3,149	1,563	2,288
Capital grants and contributions	5	2,103	1,162	3,105	2,121	278	1,783	2,751	6,786	2,846
Total business-type activities program revenues	244,566	61,667	282,107	289,299	255,715	265,012	275,999	114,640	274,516	280,271
Total program revenues	\$ 257,099	\$ 74,974	\$ 295,940	\$ 302,581	\$ 275,934	\$ 288,206	\$ 302,194	\$ 137,194	\$ 297,897	\$ 306,256
Net (Expense) Revenue										
Governmental activities	\$ (55,219)	\$ (59,684)	\$ (56,937)	\$ (58,486)	\$ (59,126)	\$ (6,722)	\$ (61,883)	\$ (65,776)	\$ (68,938)	\$ (71,610)
Business-type activities	10,265	13,151	11,375	18,519	35,879	21,644	26,259	25,714	20,584	17,102
Total primary governmental net expense	(44,954)	(46,533)	(45,562)	(39,967)	(23,247)	14,922	(35,624)	(40,062)	(48,354)	(54,509)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 31,487	\$ 30,446	\$ 31,915	\$ 32,502	\$ 33,000	\$ 33,187	\$ 34	\$ 34,884	\$ 35,976	\$ 38,664
Other Taxes, grants and contributions	22,161	22,397	22,522	25,292	26,655	27,873	28,600	30,473	29,733	33,495
Investment earnings	969	69	2,038	2,064	700	954	698	7,427	3,140	1,427
Miscellaneous	(496)	-	-	-	-	-	-	-	-	-
Transfers	5,554	4,908	5,597	5,804	6,704	6,885	6,302	6,196	6,114	6,500
Total General revenues	59,675	57,820	62,072	65,662	67,059	68,899	35,634	78,980	74,963	80,086
Business-type activities:										
Investment earnings	337	227	209	284	330	528	1,159	3,559	4,016	474
Transfers	(5,554)	(4,908)	(5,597)	(5,804)	(6,704)	(6,888)	(6,302)	(6,196)	(6,114)	(6,500)
Total business-type activities	(5,217)	(4,681)	(5,388)	(5,520)	(6,374)	(6,360)	1,159	(2,637)	(2,098)	(6,026)
Total primary government	\$ 54,458	\$ 53,139	\$ 56,684	\$ 60,142	\$ 60,685	\$ 62,539	\$ 36,793	\$ 76,343	\$ 72,865	\$ 74,060
Change in Net Position										
Governmental activities	\$ 4,456	\$ (1,864)	\$ 5,135	\$ 7,176	\$ 7,933	\$ 1,679	\$ 7,917	\$ 13,204	\$ 6,025	\$ 8,476
Business-type activities	5,048	8,470	5,987	12,999	29,505	15,284	21,116	23,077	18,486	11,076
Total primary government	\$ 9,504	\$ 6,606	\$ 11,122	\$ 20,175	\$ 37,438	\$ 16,963	\$ 29,033	\$ 36,281	\$ 24,511	\$ 19,551

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

Note 2: Amounts are expressed in thousands.

Fund Balances of Governmental Funds

Table 3

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	151	75	215	116	54	69	102	68	59	56
Restricted	11,582	10,267	10,848	16,169	10,171	7,688	7,318	9,313	7,077	8,815
Committed	3,059	2,277	2,277	2,277	2,277	2,328	2,051	2,196	2,253	2,290
Assigned	249	7,047	1,964	1,592	1,796	1,178	138	650	300	750
Unassigned	14,683	11,401	16,108	12,426	18,144	20,158	12,048	11,726	16,076	14,764
Total General Fund	<u>\$ 31,965</u>	<u>\$ 31,067</u>	<u>\$ 31,412</u>	<u>\$ 3,258</u>	<u>\$ 32,442</u>	<u>\$ 31,421</u>	<u>\$ 22,899</u>	<u>\$ 23,953</u>	<u>\$ 25,765</u>	<u>\$ 26,674</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Subsequent Year's	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	44	49	53	919	381	791	800	377	84	87
Restricted	5,429	216	5,767	8,257	5,235	4,334	8,033	12,456	10,940	20,032
Committed	5,996	7,747	6,846	6,045	5,172	11,019	12,105	8,206	8,068	7,028
Assigned	-	544	522	570	619	520	825	808	952	1,027
Unassigned	(1,327)	(1,181)	(489)	(5,097)	(531)	(334)	(685)	(5,327)	(1,552)	(7,240)
Total all other governmental funds	<u>\$ 10,142</u>	<u>\$ 9,319</u>	<u>\$ 12,699</u>	<u>\$ 10,694</u>	<u>\$ 10,876</u>	<u>\$ 1,633</u>	<u>\$ 21,078</u>	<u>\$ 1,652</u>	<u>\$ 18,492</u>	<u>\$ 20,932</u>
Total governmental funds	<u>\$ 42,107</u>	<u>\$ 40,386</u>	<u>\$ 44,111</u>	<u>\$ 43,274</u>	<u>\$ 43,318</u>	<u>\$ 47,751</u>	<u>\$ 43,977</u>	<u>\$ 40,473</u>	<u>\$ 44,257</u>	<u>\$ 47,607</u>

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.

Changes In Fund Balances of Governmental Funds

Table 4

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad Valorem Taxes	\$31,567	\$30,276	\$32,256	\$32,956	\$32,776	\$33,385	\$34,374	\$3,474	\$35,829	\$38,707
Other Taxes	16,614	16,519	16,672	18,543	19,271	20,645	21,301	23,064	22,452	26,420
Unrestricted Intergovernmental	5,858	5,877	5,847	675	7,386	7,231	7,299	7,409	7,280	7,074
Restricted Intergovernmental	12,166	7,978	6,424	572	8,021	9,252	11,435	7,139	8,425	9,474
Licenses, Permits and fees	2,632	2,457	2,289	3,818	2,353	2,929	4	2,973	4,006	5,811
Sales and Services	5,117	5,484	518	5,766	5,083	4,844	6	5,718	4,539	3,755
Investment Earning	970	69	463	370	700	438	424	1,832	1,872	128
Other Revenue	1,360	1,316	1,715	861	1,340	3,182	1,443	1,552	2,071	1,498
Total revenues	\$76,284	\$69,976	\$70,846	\$74,784	\$7,693	\$81,906	\$85,445	\$84,427	\$86,474	\$92,868
Expenditures										
General government	\$91	\$11,238	\$10,331	\$10,504	\$12,413	\$12,135	\$12,176	\$12,277	\$12,831	\$12,151
Public safety	351	36,077	36,072	35,521	37,029	39,141	40,633	4,133	40,295	41,803
Public works	9,838	8,361	813	7,924	8,581	8,971	10,798	11,752	14,084	12,646
Environmental Protection	-	-	-	-	-	3,534	1,454	1,229	-	-
Cultural and Recreation	8,772	4,121	4,748	5,176	6,018	5,874	11,084	10,509	12,799	12,377
Economic and physical development	4,956	1,163	10,585	19,185	15,964	18,373	12,668	11,867	9,738	9,156
Capital Outlay	10,647	3,786	3,591	2,596	-	-	-	-	-	-
Reimbursement of indirect cost ⁽⁶⁰¹⁾	(601)	(1,014)	(1,111)	(1,285)	(1,391)	(1,312)	(1,522)	(1,532)	-	-
Contribution to OPEB Trust	250	300	350	400	450	500	500	600	-	-
Debt service										
Principal	3,047	12,613	3,342	3,766	3,808	3,928	4,578	4,292	4,445	4,341
Interest and fees	1,684	2,010	894	1,034	871	1,182	1,083	1,023	1,068	1,078
Total expenditures	\$82,793	\$89,122	\$76,932	\$84,821	\$83,743	\$92,326	\$93,452	\$93,347	\$95,260	\$93,553
Excess of revenues over (under) expenditures	\$(6,509)	\$(19,146)	\$(6,086)	\$(10,037)	\$(6,813)	\$(10,420)	\$(8,007)	\$(8,920)	\$(8,786)	\$(685)
Other financing sources (uses)										
Transfers from other funds	\$14,207	\$12,127	\$16,027	\$1,588	\$1,641	\$18,823	\$2,575	\$17,232	\$20,719	\$30,669
Transfers to other funds	(8,774)	(7,766)	(11,213)	(11,622)	(11,277)	(14,166)	(21,518)	(12,777)	(16,781)	(26,634)
Payments to Escrow Agents	-	(975)	-	-	(6,248)	-	-	-	-	-
Sale of Property	-	-	-	-	-	-	-	-	-	-
Payments to Escrow Agents	(4,208)	-	-	-	-	-	-	-	-	-
Premium received on long term debt issues	-	-	-	-	-	696	-	-	782	-
Refunding debt issued	-	-	-	-	6	-	-	-	-	-
Long Term debt issued	4,293	22,541	4,997	4,200	2,096	9,500	-	963	7,850	-
Total other financing sources (uses)	\$5,518	\$17,152	\$9,811	\$8,458	\$7,166	\$14,853	\$4,232	\$5,418	\$12,570	\$4,035
Net change in fund balances	\$(991)	\$(1,994)	\$3,725	\$(1,579)	\$353	\$4,433	\$(3,775)	\$(3,502)	\$3,784	\$3,350
Debt services as a percentage of noncapital expenditures	7.0%	17.0%	6.0%	6.0%	6.0%	6.3%	6.4%	6.0%	6.1%	5.8%

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

Note 2: Amounts are expressed in thousands.

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
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
2019	752,650,490	1,028,932,168	2,072,563	2,070,312	7,968,341	26,519,776
2020	730,472,461	985,321,124	2,101,647	2,060,472	7,298,902	25,156,495
2021	787,045,135	956,131,483	2,213,598	1,991,918	8,621,566	25,114,395

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year Ended June 30	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate ⁽²⁾	Estimated Actual Taxable/Market Value	Assessed Value as a Percentage of Market Value ⁽¹⁾
	Residential and Commercial Property		Motor Vehicle and Other Personal Property					
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%
2019	5,935,362,692		916,888,846		6,852,251,538	0.0052	6,852,251,538	100.00%
2020	6,019,688,462		949,699,615		6,969,388,077	0.0052	6,969,388,077	100.00%
2021	6,783,367,442		1,137,656,218		7,921,023,660	0.0049	7,921,023,660	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

Greenville Utilities Commission - Direct and Overlapping Revenue Rates

Table 7

Last 10 Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Electric (per kWh)										
Residential	\$ 0.1310	\$ 0.1299	\$ 0.1310	\$ 0.1309	\$ 0.1249	\$ 0.1010	\$ 0.1195	\$ 0.1182	\$ 0.0941	\$ 0.0941
Commercial & Industrial	0.1025	0.1027	0.1031	0.1028	0.0945	0.0980	0.0940	0.0959	0.0959	0.0959
Water (per kgal)										
Residential	5.0031	5.0344	5.0703	5.3871	5.6670	5.7550	5.6620	5.9000	6.0900	6.0900
Commercial & Industrial	3.0610	2.8911	2.8810	3.0439	3.1589	3.2300	3.2250	3.5300	3.8300	3.8300
Gas (per ccf)										
Residential	1.5097	1.3558	1.4078	1.4695	1.3853	1.1180	1.4050	1.0717	1.0399	1.0275
Commercial & Industrial	0.9488	0.8636	0.9205	0.9365	0.7745	0.9718	0.9195	1.0281	1.0178	1.0115

**Property Tax Rates Direct and Overlapping Governments
Last Ten Fiscal Years**

Table 8

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
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
2019	0.520	34,944,274	0.686	85,625,070	1.206	120,569,344
2020	0.520	35,965,756	0.721	89,707,148	1.241	125,672,904
2021*	0.4945	38,694,891	0.684	92,181,437	1.179	130,876,328

* Last date for revaluation.

Principal Property Taxpayers
Current Year And Nine Years Ago

Table 9

Taxpayer	2021		Percentage of Total Taxable Assessed Value	2012		Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
RPI Greenville Mall LP	\$ 43,741,374	1	0.56%			
North Campus Crossing I & II LLC				\$ 44,012,051	1	0.73%
Wal Mart Real Estate Business Trust	38,469,708	2	0.56%			
Marelda Greenville Mall LLC				39,833,585	2	0.66%
401 Moye Boulevard Realty DST	37,357,114	3	0.48%			
Copper Beech Townhome Communities Thirty SPE LLC				34,605,790	3	0.57%
Copper Beech Townhome Communities Thirty SPE LLC	37,150,841	4	0.47%			
Carolina Telephone				30,071,559	4	0.50%
The Landing ECU LLC	35,190,534	5	0.45%			
PL Greenville LP (Bellamy)				29,073,633	5	0.48%
Legacy at Firetower LLC	29,797,013	6	0.38%			
Corridor Greenville LLC				23,613,819	6	0.39%
JRR Ventures LLC	28,578,289	7	0.37%			
University Residences ECU LLC				20,766,498	7	0.34%
Breit SH Province Greenville LP	27,011,699	8	0.35%			
Centro Heritage UC Greenville LLC				19,161,577	8	0.32%
Treybrooke LLC	26,159,724	9	0.33%			
Southeast Region II LLC				18,531,967	9	0.31%
Taft Ward ECU Campus Edge Apts LLC	25,959,986	10	0.33%			
Treybrooke LLC				15,028,199	10	0.25%
Totals	<u>\$ 329,416,282</u>		<u>4.28%</u>	<u>\$ 274,698,678</u>		<u>4.55%</u>

Note: Information obtained from Pitt County Government

Ten Largest Customers
Current Year and Nine Years Ago

Table 10

Electric Fund		Fiscal Year 2021		Fiscal Year 2012	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
East Carolina University					
Patheon Manufacturing Services LLC1	Pharmaceuticals	\$ 5,211,576	3.03%	\$ 7,132,498	3.87%
DSM Dyneema, LLC	High Performance Fibers	4,103,863	2.39%	4,230,124	2.30%
Vidant Health2	Health Care	3,795,549	2.21%	5,251,920	2.85%
Attends Healthcare Products	Medical Products	3,409,872	1.98%	3,244,638	1.76%
East Carolina University	Education	3,199,614	1.86%	4,755,901	2.58%
East Carolina University	Education	2,463,106	1.43%	3,202,908	1.74%
East Carolina University	Education	2,409,697	1.40%	2,141,605	1.16%
Vidant Health2	Health Care	2,112,927	1.23%	1,571,822	0.85%
City of Greenville	Government	1,855,256	1.08%		
Mayne Pharma Inc.3	Pharmaceuticals	1,580,482	0.92%		
ASMO of Greenville	Motors			1,339,332	0.73%
Hyster Yale Group4	Fork Lift Trucks			1,251,654	0.68%
Totals		\$ 30,141,942	17.53%	\$ 34,122,402	18.52%

Ten Largest Customers

Table 10

Current Year And Nine Years Ago

Water Fund		Fiscal Year 2021		Fiscal Year 2012	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Town of Farmville	Government	\$ 986,863	4.28%	\$ 397,922	2.54%
Patheon Manufacturing Services LLC1	Pharmaceuticals	822,898	3.57%	551,482	3.51%
Town of Winterville	Government	365,992	1.59%	173,462	1.11%
Vidant Health2	Health Care	269,432	1.17%	238,719	1.52%
DSM Dyneema, LLC	High Performance Fibers	191,638	0.83%	100,245	0.64%
Vidant Health2	Health Care	184,070	0.80%	65,689	0.42%
Fuji Silysia Chemical USA, LTD	Silica Gel	183,195	0.80%	66,928	0.43%
DSM Dyneema, LLC	Health Care	161,323	0.70%	63,274	0.40%
Mayne Pharma Inc.3	Pharmaceuticals	101,328	0.44%		
Stokes Regional Water Corporation	Water Utility	83,191	0.36%		
East Carolina University	Education			86,979	0.55%
Greenville Housing Authority	Apartments			53,269	0.34%
Totals		<u>\$ 3,349,930</u>	<u>14.54%</u>	<u>\$ 1,797,969</u>	<u>11.46%</u>

1 Formerly DSM Pharmaceuticals, Inc.
 2 Formerly Pitt County Memorial Hospital
 3 Formerly Metrics, Inc.
 4 Formerly NACCO Materials Handling

Ten Largest Customers
Current Year and Nine Years Ago

Table 10

Sewer Fund		Fiscal Year 2021		Fiscal Year 2012	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Patheon Manufacturing Services LLC1	Pharmaceuticals	\$ 843,225	3.53%	\$ 771,664	4.51%
Town of Bethel	Government	693,686	2.90%	478,695	2.80%
DSM Dyneema, LLC	High Performance Fibers	539,968	2.26%	240,978	1.41%
Vidant Health2	Health Care	412,141	1.72%	405,662	2.37%
Fuji Silysia Chemical USA, LTD	Silica Gel	296,282	1.24%	119,700	0.70%
Vidant Health2	Health Care	280,559	1.17%	107,473	0.63%
Vidant Health2	Health Care	246,786	1.03%	107,438	0.63%
Mayne Pharma Inc.3	Pharmaceuticals	154,194	0.65%		
East Carolina University	Education	96,807	0.40%	147,712	0.86%
Greenville Housing Authority	Apartments	93,259	0.39%	53,663	0.31%
Town of Grimesland	Government			68,257	0.40%
Totals		<u>\$ 3,656,907</u>	<u>15.29%</u>	<u>\$ 2,501,242</u>	<u>14.62%</u>

Ten Largest Customers
Current Year and Nine Years Ago

Table 10

Gas Fund		Fiscal Year 2021		Fiscal Year 2012	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 3,095,222	9.45%	\$ 3,569,113	11.78%
East Carolina University	Education	2,040,890	6.23%	3,213,749	10.60%
Vidant Health ²	Health Care	1,504,468	4.59%	1,614,906	5.33%
Vidant Health ²	Health Care	969,726	2.96%	592,448	1.95%
Mayne Pharma Inc. ³	Pharmaceuticals	948,895	2.90%	404,957	1.34%
DSM Dyneema, LLC	High Performance Fibers	822,155	2.51%	1,039,454	3.43%
East Carolina University	Education	700,902	2.14%	1,123,580	3.71%
Fuji Silysia Chemical USA, LTD	Silica Gel	587,045	1.79%	448,585	1.48%
Hyster Yale Group ⁴	Fork Lift Trucks	239,952	1.65%		
Metallix Inc.	Metal Recycling	396,153	1.21%		
DSM Dyneema, LLC	High Performance Fibers			781,798	2.58%
Greenville Paving & Contracting, Inc.	Highway and Street Paving			398,848	1.32%
Totals		\$ 11,305,408	35.43%	\$ 13,187,438	43.52%

1 Formerly DSM Pharmaceuticals, Inc.
 2 Formerly Pitt County Memorial Hospital
 3 Formerly Metrics, Inc.

General Fund Tax Revenue By Source

Last Ten Fiscal Years

Table 11

Fiscal Year	Property Tax**	Sales Tax	Franchise Tax*	Alcoholic Beverage Tax	Other Taxes	Total
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	52,823,575
2015	32,389,782	16,588,707	7,190,841	416,085	127,304	56,712,719
2016	32,488,669	17,289,693	7,821,142	390,180	142,723	58,132,407
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
2019	34,944,274	20,736,259	7,784,979	392,383	172,414	64,030,309
2020	35,868,136	20,465,509	7,605,255	392,527	162,110	64,493,537
2021	38,612,645	24,555,870	7,375,802	392,625	207,687	71,144,629

*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
Last Ten Fiscal Years

Table 12

Fiscal Year Ended June 30	Total Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	31,389,341	30,505,550	97.18%	733,000	31,238,550	99.52%
2013	30,005,085	29,195,139	97.30%	190,149	29,195,139	97.30%
2014	31,657,568	31,205,438	98.57%	387,759	31,205,438	98.57%
2015	32,647,441	32,389,782	99.21%	77,771	32,389,782	99.21%
2016	32,676,680	32,488,669	99.42%	155,846	32,488,669	99.42%
2017	33,704,285	33,536,293	99.50%	138,710	33,536,293	99.50%
2018	34,150,363	34,002,040	99.57%	245,494	34,002,040	99.57%
2019	35,048,537	34,944,274	99.70%	104,263	34,944,274	99.70%
2020	35,965,756	35,868,136	99.73%	-	35,868,136	99.73%
2021	38,694,891	38,612,645	99.79%	-	38,612,645	99.79%

⁽¹⁾ Analysis of Current Year Tax and Pitt County Tax Collections Report - Net of Abatements

Ratio of Outstanding Debt By Type

Table 13

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capital
	General Obligation Bonds	Special Assessment Bonds	Certificates of Participation	Installment Purchase Contracts	Revenue Bonds	General Obligation Bonds	Installment Purchase Contracts	Other Debt			
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%	1,844
2014	10,222	3,165	-	23,192	72,136	4,207	2,099	36,390	151,411	2.44%	1,740
2015	9,392	6,925	-	20,694	64,401	4,013	630	36,339	142,394	2.26%	1,600
2016	8,667	6,455	-	20,251	93,652	3,838	959	46,663	180,485	2.77%	2,028
2017	15,832	5,960	-	19,158	87,558	3,493	801	58,060	190,862	2.84%	2,121
2018	14,666	5,435	-	16,339	87,629	3,114	642	38,764	166,589	2.42%	1,811
2019	13,504	4,880	-	14,729	133,746	2,741	487	37,631	207,718	2.65%	2,258
2020	20,206	4,295	-	12,028	129,132	2,374	330	63,041	231,406	(1)	2,488
2021	18,676	3,680	-	9,939	154,411	1,989	173	51,181	240,048	(1)	2,583

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.

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
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	0.21%	0.21%	146
2016	12,505	354	12,151	0.19%	0.19%	135
2017	19,325	661	18,664	0.29%	0.29%	203
2018	17,780	771	17,009	0.25%	0.26%	185
2019	16,245	1,135	15,110	0.22%	0.22%	164
2020	22,580	1,725	20,855	(1)	0.30%	224
2021	20,665	758	19,907	(1)	0.27%	203

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.

Legal Debt Margin - Governmental Activities

Table 15

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 489,077	\$ 461,333	\$ 486,793	\$ 489,684	\$ 499,302	\$ 480,851	\$ 526,807	\$ 548,180	\$ 557,551	\$ 633,682
Total net debt applicable to limit	150,355	156,000	152,518	142,395	180,485	189,317	166,589	207,718	219,470	240,004
Legal debt margin	\$ 338,722	\$ 305,333	\$ 334,275	\$ 347,289	\$ 318,817	\$ 291,534	\$ 360,218	\$ 340,462	\$ 338,081	\$ 393,678
Total net debt applicable to the limit as a percentage of debt limit	30.74%	33.82%	31.33%	29.08%	36.15%	39.37%	31.62%	37.89%	39.36%	37.87%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$7,921,023,660
Debt Limit (8% of total assessed value)	633,681,893
Debt applicable to limit:	
General obligation bonds	20,665,000
Special obligation revenue	3,680,000
	154,411,000
Other Debt	61,293,000
Legal debt margin	<u>\$ 393,632,893</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.

Direct and Overlapping Governmental Activities Debt

Table 16

As of June 30, 2021

Governmental Unit	Net General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping			
Pitt County	\$ 18,769	50.13%	\$ 9,409
Direct			
City of Greenville			16,245
Total direct and overlapping debt			<u>\$ 25,654</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
Last Ten Fiscal Years

Table 17

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
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	36,184	9,388	4,061	13,449	2.69	1,059	398	112	2.08
2014	272,354	238,628	33,726	11,229	3,905	15,134	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
2019	263,079	213,489	49,590	11,982	4,004	15,986	3.10	1,321	465	130	2.22
2020	251,981	207,348	44,633	6,854	5,054	11,908	3.75	1,052	585	155	1.42
2021	259,482	214,572	44,910	8,029	5,630	13,659	3.29	784	615	138	1.04

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.

Demographic and Economic Statistics

Table 18

Last Ten Fiscal Years

Fiscal Year	Population ⁽²⁾	Personal Income (thousands of dollars)	Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	7,714,500	39,900	28	23,310	4.9%
2018	93,137	7,410,874	41,191	32	26,600	4.2%
2019	93,400	(1)	(1)	(1)	23,200	5.2%
2020	93,400*	(1)	(1)	(1)	23,343	7.3%
2021	93,400*	(1)	(1)	(1)	22,664	5.1%

Note 1: Population unavailable for this period.

Note 2: Unemployment rate information obtained from US Census Bureau and Pitt County Development Commission, respectively.

Note 3: Personal Income and Per Capita information obtained from U.S. Bureau of Economic Analysis.

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.

Median age information obtained from the NC Dept. of Commerce.

Note 5: 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

Table 19

Principal Employers
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vidant Health	6,760	1	8.69%	6,483	1	9.13%
East Carolina University	5,672	2	7.29%	5,455	2	7.68%
Pitt County Public Schools	3,699	3	4.75%	2,754	3	3.88%
Patheon, Inc. (Thermo Fisher Scientific)	1,261	4	1.62%	1,500	4	2.11%
Hyster-Yale (NACCO)	1,226	5	1.58%	1,000	6	1.41%
City of Greenville	1,132	6	1.45%	743	9	1.05%
Pitt Community College	1,100	7	1.41%	953	7	1.34%
County of Pitt	1,000	8	1.29%	930	5	1.31%
Asmo Greenville of North Carolina	722	9	0.93%	*NDF	*NR	0.00%
Mayne Pharma, Inc.	629	10	0.81%	*NDF	*NR	0.00%
Total	23,201		29.82%	19,818		27.91%

Note: Information obtained from Pitt County Development Commission.

*NR = Not Ranked in Year Listed

*NDF = No Data Found

Full-Time Equivalent City Government Employees By Function
Last Ten Fiscal Years

Table 20

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General government	62	65	68	61	56	63	64	66	67	70
Public safety										
Police	240	240	241	233	239	230	293	240	247	251
Fire	157	153	158	148	158	153	152	151	152	167
Public Works	204	204	188	168	152	154	157	152	129	159
Recreation and Parks	65	65	67	57	74	56	51	54	56	65
Community Development	26	34	36	30	39	32	32	36	36	42
Engineering*	-	-	-	-	-	-	-	-	28	36
Electric	197	197	210	135	203	137	135	142	144	148
Water and Sewer	159	159	167	117	120	122	122	124	123	123
Gas	64	66	70	51	77	54	49	55	53	55
Total Employees	1,174	1,183	1,205	1,000	1,118	1,001	1,055	1,020	1,035	1,116

*Note: Department created in FY 2019

Source: Human Resources Department and Greenville Utilities Commission.

Table 21

Operating Indicators By Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function Police										
Physical arrests	4,861	5,592	5,487	4,590	4,254	3,645	3,650	3,325	3,028	2,798
Parking violations	5,537	7,522	8,646	8,717	13,970	14,482	21,789	15,466	11,604	9,899
Traffic violations Fire	15,420	16,975	11,979	9,720	8,753	6,922	7,433	8,472	9,349	10,558
Number of calls answered	5,339	5,479	5,753	2,706	2,959	3,087	2,946	3,457	3,113	3,114
Inspections	2,593	1,902	1,571	1,938	1,699	2,709	3,333	3,282	2,997	4,012
EMS										
Number of calls answered	15,006	15,080	15,353	13,917	14,065	15,001	14,757	15,148	14,443	15,141
Sanitation										
Refuse collected (tons/year)	29,309	27,888	27,955	28,318	28,558	27,235	28,390	30,708	33,628	29,926
Recyclables collected (tons/year)	5,538	5,101	4,446	3,366	3,920	4,154	4,449	3,991	2,821	3,312
Culture and recreation										
Facility reservations issued	2,013	1,841	1,692	1,798	2,106	1,292	1,292	1,705	1,120	1,137
Water										
Connections (of service connect)	34,514	34,742	34,959	35,179	35,599	35,794	36,338	36,183	37,195	37,801
Water Lines (miles)	628	628	627	628	629	631	631	633	634	639
Average daily consumption (thousands/millions of gallons)	11,896	12,008	12,394	12,800	12,384	12,237	12,800	14,200	13,642	14,108
Wastewater										
Average daily sewage treatment (thousands/million of gallons)	10,301	10,426	10,530	10,800	11,195	10,220	9,550	10,400	9,948	12,051

Sources: Various government and GUC departments.

Capital Asset Statistics By Function

Table 22

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public safety:										
Police Stations	3	3	3	3	3	4	4	3	5	5
Patrol units	203	203	202	178	202	208	214	214	241	226
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation:										
Collection trucks	42	41	38	41	45	40	40	40	43	43
Highways and streets:										
Streets (miles)	269.0	269.1	269.3	269.59	269.10	270.8	272.08	274.46	277.09	278.65
Streetlights	7,065	7,105	7,152	7,220	7,105	7,250	7,448	7,627	7,926	8,366
Traffic signals	33	33	33	33	33	33	32	31	29	29
Culture and recreation:										
Parks acreage	1,455	1,455	1,455	1,455	1,454	1,460	1,466	1,466	1,651	1,973
Parks	29	29	29	29	26	26	27	27	28	28
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spraygrounds	-	1	1	1	1	1	1	1	1	1
Tennis courts	24	24	24	24	21	21	20	12	12	18
Community centers	3	3	3	3	3	3	3	3	3	3
Recreation Centers:	6	6	6	6	7	7	7	7	7	7
Specialty Centers:	3	3	3	3	3	3	3	3	3	3
Electric:										
Number of distribution stations	19	19	19	19	19	23	19	19	19	19
Miles of service lines	2,714	2,719	2,781	2,804	2,901	2,917	2,939	2,993	2,967	3,039
Water:										
Water lines (miles)	628	628	627	628	629	631	631	633	634	639
Maximum daily treatment capacity (millions of gallons)	24.5	24.5	24.5	22.5	24.5	22.5	17.8	22.5	24.5	24.5
Sewer:										
Sanitary sewers (miles)	471	479	471	475	479	479	481	482	483	483
Maximum daily treatment capacity (millions of gallons)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	24.5	17.5	17.5
Gas:										
Miles of pipeline	604	609	612	613	614	621	1,070	626	729	748.00
Miles of service lines	430	434	437	438	440	446	446	446	478	485.0





SINGLE AUDIT AND COMPLIANCE SECTION



**Report of Independent Auditor 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***

To 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 financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 13, 2022.

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”) as a basis for designing 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. 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 entity’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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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 financial statements. 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*.

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying corrective action plan. The City's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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.

Cheryl Bekaert LLP

Raleigh, North Carolina
January 13, 2022

**Report of Independent Auditor on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the
Uniform Guidance and the State Single Audit Implementation Act**

To 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's (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 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, 2021. 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 statutes, regulations, 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, 2021.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 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
January 13, 2022

**Report of Independent Auditor on Compliance with Requirements Applicable
to Each Major State Program and Internal Control over Compliance; in Accordance
with Uniform Guidance and the State Single Audit Implementation Act**

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

Report on Compliance with Each Major State Program

We have audited the City of Greenville, North Carolina's (the "City") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by Local Government Commission, that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2021. 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 requirement 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 U.S. *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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major state program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 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 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 a 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a material weakness.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
January 13, 2022

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

YEAR ENDED JUNE 30, 2021

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 U.S. 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>Assistance Listing Number</u>	<u>Names of Federal Program or Cluster</u>
66.468	Drinking Water State Revolving Fund Cluster
21.019	Coronavirus Relief Funds
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,098,866

Auditee qualified as low-risk auditee? Yes No

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

YEAR ENDED JUNE 30, 2021

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

Finding: 2021-001

Significant Deficiency Unrecorded Liabilities

Criteria: A well designed financial reporting and closing process ensures transactions are recorded timely and all accounts have been properly reconciled with subsidiary ledgers; resulting in financial information and data that is timely, accurate and available to management to aid in decision-making processes.

Condition: The year-end closing process for the year ended June 30, 2021 was completed and certain expenses were improperly excluded that should have been accrued at year-end. This also resulted in expenditures incurred and posted to the financial system, and adjustment to the schedule of expenditures of federal and state awards ("SEFSA").

Context: An adjusting entry was recorded at year-end to increase accounts payable and expenses by approximately \$1 million. The SEFSA was updated to include additional Powell Bill program expenditures that were spent during the year that were not already included.

Effect: By not recording the expenditures in the year they were budgeted and actually expended, the expenditures reduce the amount available to be spent in the next year or require an unnecessary increase in the next year's budget.

Cause: Reconciliations were performed later for the current year than in prior years and invoices received later in the year were not properly recorded, and expenditures were not fully included on the SEFSA resulting in the need for corrections at year-end.

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

YEAR ENDED JUNE 30, 2021

SECTION II. Financial Statement Findings (continued)

Finding: 2021-001

Significant Deficiency Unrecorded Liabilities

Recommendation: We recommend improvements be made to the processes to properly review for and capture expenditures that occur after year-end that relate to the prior year.

Management's Response: See corrective action plan.

SECTION III. Federal Award Findings and Questioned Costs

None reported.

SECTION IV. State Award Findings and Questioned Costs

Finding: 2021-002

Powell Bill

Material Weakness and Material Noncompliance - Reporting

Criteria: The amount of expenditures incurred for the program should be properly reported annually.

Condition: The annual Powell Bill report was missing expenditures incurred during the year.

Context: The annual Powell Bill report shows \$902,942 of current year expenditures and the schedule of expenditures of federal and state awards shows \$1,166,236 of current year expenditures, a difference of \$263,294.

Effect: By not recording the expenditures in the year they were incurred, the expenditures are not properly included in the annual Powell Bill report.

Cause: Two invoices for Powell Bill services for FY21 were received after June 30, 2021. Neither of the invoices were properly accrued as expenditures for FY21. Although personnel managing the contracted services were aware the services had been provided and included the amount of one of the invoices in the Powell Bill Expenditure Report, the other invoice had not been received by the time the report was submitted to NCDOT.

Questioned costs: \$263,294

Recommendation: We recommend personnel who contract for or otherwise manage Powell Bill services consider whether there are expenditures in which invoices have not yet been received that relate to the prior year and obtain those invoices prior to the completion and submission of the annual Powell Bill report. We also recommend financial management consider whether other measures should be implemented to identify transactions subject to accrual.

Management's Response: See corrective action plan.

FINANCIAL SERVICES

Finding: 2021-001

Name of contact person: Byron Hayes, Director of Financial Services

Corrective Action: Invoices over \$10,000 will now require additional review by a financial manager to ensure that invoices are recorded in the correct period.

Proposed Completion Date: February 1, 2022

Finding: 2021-002

Name of contact person: Byron Hayes, Director of Financial Services

Corrective Action: Invoices over \$10,000 will now require additional review by a financial manager to ensure that invoices are recorded in the correct period.

Proposed Completion Date: February 1, 2022



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Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

None reported

Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2021

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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 -							
Community Development Block Grant - Entitlement Grants Cluster							
CDBG Entitlement Grant	14.218		\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
CDBG Entitlement Grant	14.218		1,800	-	-	-	1,800
CDBG Entitlement Grant	14.218		24,332	-	-	-	24,332
CDBG Entitlement Grant	14.218		3,276	-	-	-	3,276
CDBG Entitlement Grant	14.218		101,195	-	5,230	11,876	113,071
CDBG Entitlement Grant	14.218		407,459	-	49,289	16,500	423,959
CDBG Entitlement Grant	14.218		252,575	-	19,060	313,095	565,670
CDBG Entitlement Grant	14.218		234,449	-	41,459	-	234,449
Total CDBG Entitlement Grants Cluster			\$ 1,040,086	\$ -	\$ 115,038	\$ 341,471	\$ 1,381,557
HOME Investment Partnerships Program	14.239		148,599	-	-	-	148,599
HOME Investment Partnerships Program	14.239		106,732	-	-	18,000	124,732
HOME Investment Partnerships Program	14.239		76,405	-	-	-	76,405
			\$ 331,736	\$ -	\$ -	\$ 18,000	\$ 349,736
Healthy Homes	14.913		5,000	-	-	-	5,000
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		82,205	-	-	-	82,205
Total U.S. Department of Housing and Urban Development			\$ 1,459,027	\$ -	\$ 115,038	\$ 359,471	\$ 1,818,498
U.S. Department of Transportation							
Direct Programs -							
Highway Planning and Construction Cluster							
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.205		\$ 100,575	\$ -	\$ -	12,572	\$ 113,147
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.205		159,860	-	-	9,991	169,851
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.205		43,184	-	-	5,398	48,582
Passed through NC Public Transportation Division							
Construction--South Tar River Greenway, Phase 3	20.205	EB-5539	1,129,148	-	-	175,045	1,304,193
SAFETEA-LU Safe Routes to School	20.205	SR-5001CA	582,695	-	-	145,674	728,369
Total Highway Planning and Construction Cluster			\$ 2,015,462	\$ -	\$ -	\$ 348,680	\$ 2,364,142
Federal Transit Cluster							
COVID 19: Federal Transit - Formula Grants	20.507		1,440,006	-	-	11,219	1,451,225

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2021

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Passed Through to Subrecipients	Local Expenditures	Total Expenditures
Federal Transit - Formula Grants	20.507		224,678	-	224,678	-	224,678
Federal Transit - Formula Grants	20.507		462,744	-	-	-	462,744
Federal Transit - Formula Grants	20.507		110,322	-	-	27,581	137,903
Federal Transit - Formula Grants	20.507		320,000	-	-	80,000	400,000
Total Federal Transit Cluster			\$ 2,557,750	\$ -	\$ 224,678	\$ 118,800	\$ 2,676,550
Total U.S. Department of Transportation			\$ 4,573,212	\$ -	\$ 224,678	\$ 467,480	\$ 5,040,692
U.S. Department of Justice							
Direct Programs							
Public Safety Partnership and Community Policing Grants	16.710		\$ 80,717	\$ -	\$ -	\$ 53,811	\$ 134,528
National Sexual Assault Kit Initiative	16.833		11,790	-	-	-	11,790
Edward Byrne Memorial Justice Assistance Grant Program	16.738		30,338	-	30,338	-	30,338
Edward Byrne Memorial Justice Assistance Grant Program	16.738		30,956	-	-	-	30,956
Corona Virus Emergency Supplemental Funding	16.034		16,052	-	-	-	16,052
Total U.S. Department of Justice			\$ 169,853	\$ -	\$ 30,338	\$ 53,811	\$ 223,664
U.S. Department of Homeland Security							
Passed through N.C. Department of Public Safety							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4285-DR-NC	71,630	-	-	(95,507)	(23,877)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4568-DR-NC	215,320	-	-	3,921	219,241
Total Department of Homeland Security			\$ 286,950	\$ -	\$ -	\$ (91,586)	\$ 195,364
Environmental Protection Agency							
Direct Programs -							
Brownfields Training, Research, and Technical Assistance Grants	66.814	BF-00D13214-01	\$ 21,226	\$ -	\$ -	\$ -	\$ 21,226
Noncash Programs:							
Passed through NC Department of Environmental Quality							
Clean Water State Revolving Fund Cluster	66.458	CS370487-10	4,078,172	-	-	34,187	4,112,359
Drinking Water State Revolving Fund Cluster	66.468	H-SRF-F-20-1984	24,670,712	-	-	-	24,670,712
Total Clean Water State Revolving Fund Cluster			28,748,884	-	-	34,187	28,783,071
Total Environmental Protection Agency			\$ 28,770,110	\$ -	\$ -	\$ 34,187	\$ 28,804,297
U.S. Department of the Treasury							
Department of Health and Human Services-CARES CRF	21.019		\$ 54,757	\$ -	\$ -	\$ -	\$ 54,757
Passed Through NC State Pitt county							
Corona Virus Relief Funds	21.019		1,314,951	-	-	-	1,314,951
Total Department of Natural and Cultural Resources			\$ 1,369,708	\$ -	\$ -	\$ -	\$ 1,369,708

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2021

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing 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:							
Department of Natural and Cultural Resources							
North Carolina Museum of Natural Sciences							
North Carolina Museum Grant	N/A	536G49 NCDR	\$ -	\$ 24,383	\$ -	\$ 605	\$ 24,988
Total Department of Natural and Cultural Resources			<u>\$ -</u>	<u>\$ 24,383</u>	<u>\$ -</u>	<u>\$ 605</u>	<u>\$ 24,988</u>
Department of Transportation							
Division of Highways Powell Bill Funds	DOT-4	200026714	\$ -	\$ 1,166,236	\$ -	\$ -	\$ 1,166,236
Public Transportation Division Urban/Regional Bus and Facility Program	DOT-11	PL-104	-	12,572	-	-	12,572
State Planning and Research/MPO	DOT-11	20-08-11	-	5,398	-	-	5,398
State Planning and Research/SPR	M-0528CI	48232.3.9	-	29,974	-	-	29,974
South Tar River Greenway	EB-5539	EB-5539	-	107,242	-	-	107,242
Passed through Pitt County Pitt Area Transit System			-	-	-	-	-
Rural Operating Assistance Program Cluster	N/A	N/A	-	2,000	-	-	2,000
Total Department of Transportation			<u>\$ -</u>	<u>\$ 1,323,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,323,422</u>
Department of Public Safety							
Division of Emergency Management							
Disaster Recovery	N/A	FEMA-4285-DR-NC	\$ -	\$ 23,877	\$ -	\$ -	\$ 23,877
Disaster Recovery	N/A	FEMA-4568-DR-NC	-	71,773	-	-	71,773
Total Department of Public Safety			<u>\$ -</u>	<u>\$ 95,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,650</u>
Total Federal and State Assistance			<u>\$ 36,628,860</u>	<u>\$ 1,443,455</u>	<u>\$ 370,054</u>	<u>\$ 823,968</u>	<u>\$ 38,896,283</u>

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, 2021. 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.

The 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 – Local Expenditures for Disaster Recovery

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, the Federal Emergency Management Agency (“FEMA”) approved disaster assistance awards related to certain of these expenditures. Those subsequently approved expenditures are reported in this Schedule of Expenditures of Federal and State Awards as Federal and State expenditures related to FEMA Disaster Assistance awards, with a corresponding reduction of local expenditures.