

Popular Annual Financial Report

Year Ended June 30, 2023



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The Government Finance Officers Association of the United States and Canada (GFOA) presented a **Distinguished Budget Presentation Award** to the City of Greenville, North Carolina for its annual budget for fiscal year July 1, 2021–June 30, 2022, a **Certificate of Achievement for Excellence in Financial Reporting** for its commitment to financial transparency for fiscal year ended June 30, 2022, and an **Award for Outstanding Achievement in Popular Annual Financial Reporting** for its Annual Financial Report for the fiscal year ended June 30, 2022.

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



FINANCIAL TRANSPARENCY TOOL

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

200 West Fifth Street • Greenville, NC 27858
(252) 329-2489 • GreenvilleNC.gov

OVERVIEW

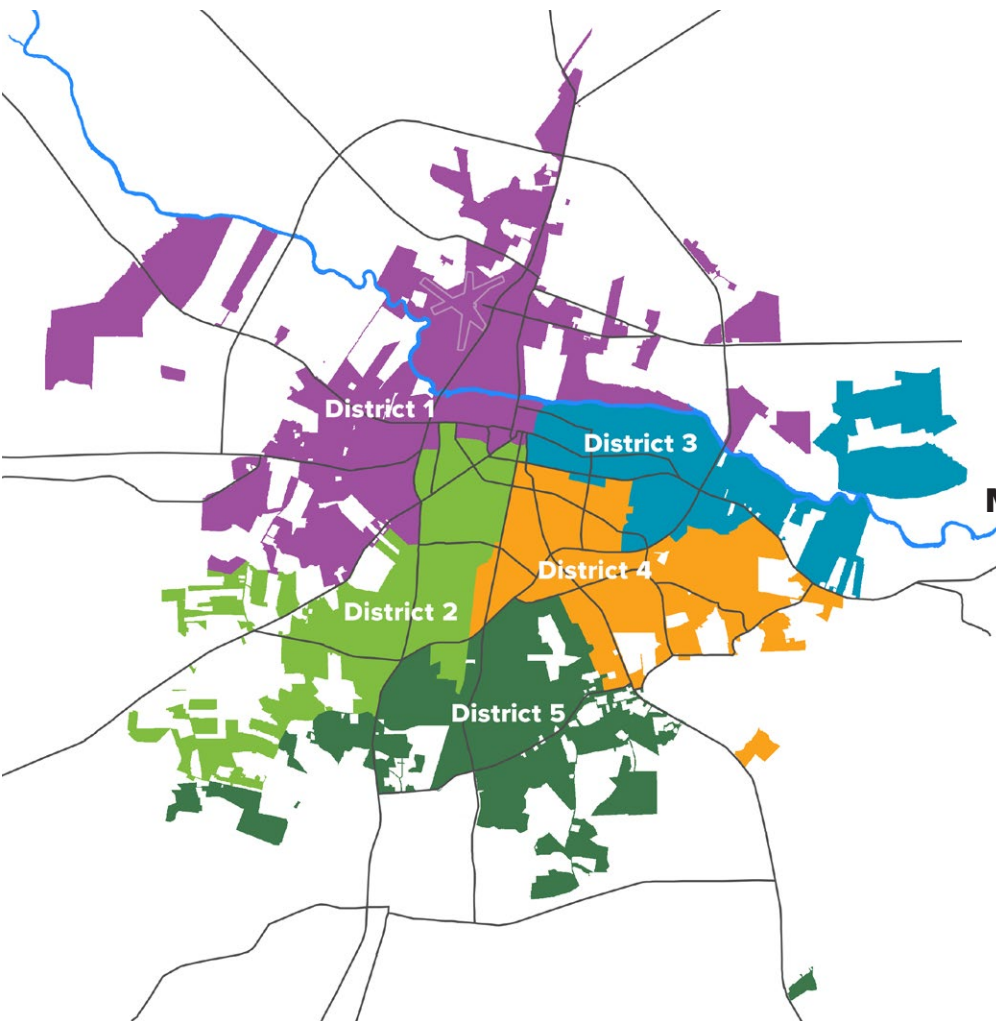


The City of Greenville financial cycle begins on July 1 and ends on June 30. During this time frame, two major processes take place: the Annual Operating and Capital Budget process and the Annual Audit. The 2023 Popular Annual Financial Report (PAFR) provides an overview of the City’s financial results and is intended to increase awareness throughout the community of the City’s financial operations.

The financial information is obtained from the audited financial statements in the City’s 2023 Annual Comprehensive Financial Report (ACFR). The PAFR is not required to present the same level of detail as the ACFR and, therefore, may not fully conform to generally accepted accounting principles (GAAP).

This report highlights the overall financial condition and trends of the City. The 2023 ACFR is audited by Cherry Beckaert LLP and has received an unmodified or “clean” audit opinion. This report may be viewed on the City’s website, located at GreenvilleNC.gov.

CITY COUNCIL & DISTRICTS



P.J. Connelly
Mayor



Monica Daniels
Mayor Pro-Tem
District 1



Tonya Foreman
District 2



Marion Blackburn
District 3



Matthew Scully
District 4



Les Robinson
District 5



Portia Willis
at-Large



MANAGER'S MESSAGE

I am pleased to present, on behalf of the City Council and the Management of the City of Greenville, the City's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2023. Provided in this report are the financial highlights from the previous fiscal year. The City provides significant financial detail through the Annual Comprehensive Financial Report (ACFR) which is available to you on the City's website, greenvillenc.gov.

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

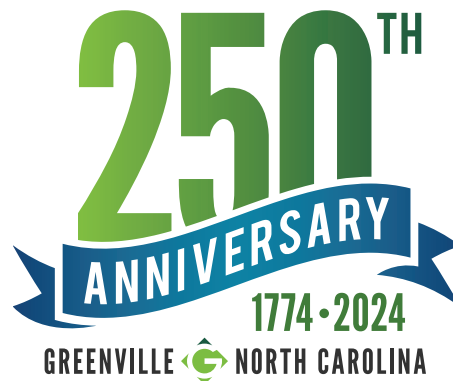
The City of Greenville prides itself on its comprehensive and quality services, all provided while maintaining a sound financial position. It is an important part of our financial mission at the City of Greenville to be transparent in providing you with complete information on the finances of our programs.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




Michael Cowin
City Manager

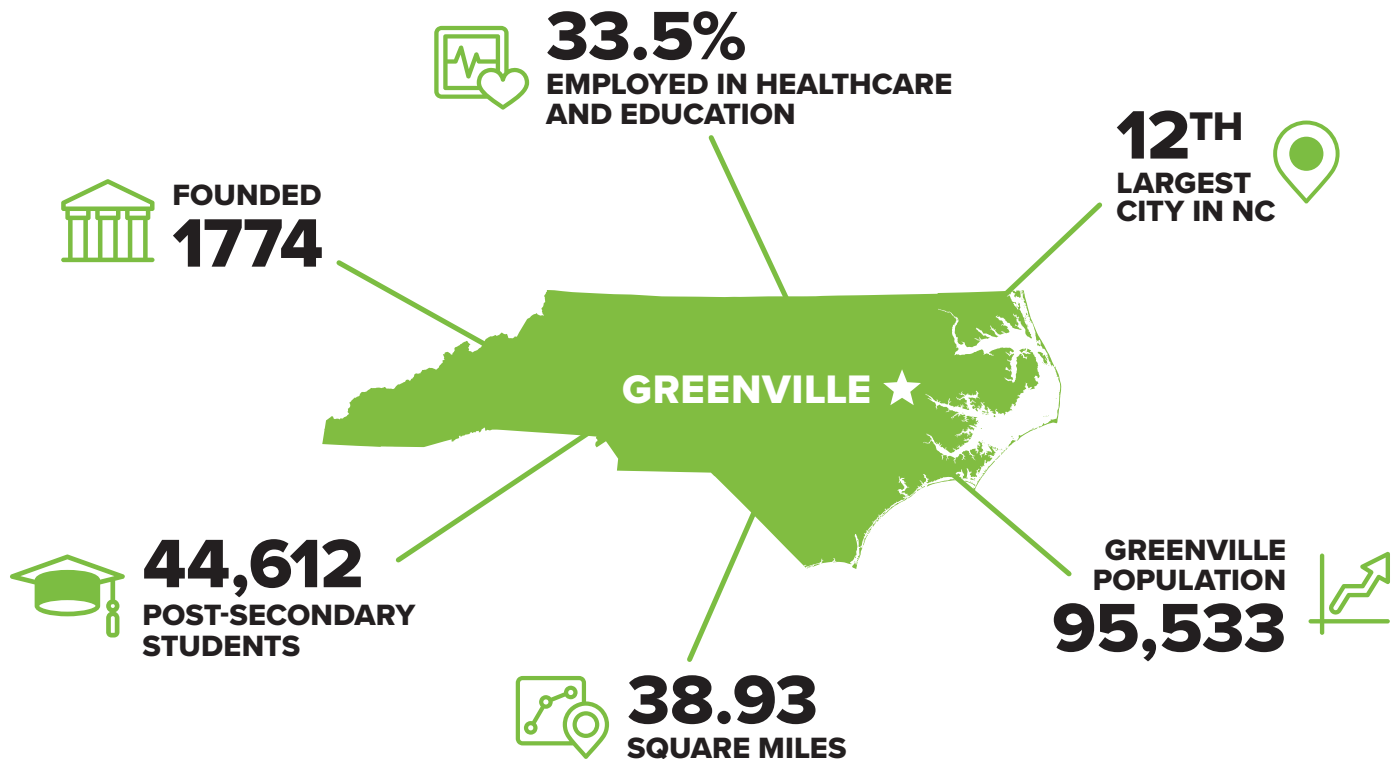


Find yourself in good company®



OUR COMMUNITY

Anchored by East Carolina University and Vidant Health (Uni-Med), Greenville is the medical, education, retail and entertainment hub of Eastern North Carolina. It's also the 11th largest city in North Carolina, with a population of 95,533 (2022 U.S. Census Estimate). The City of Greenville is ranked in the top ten of the nation's "Best Small Places For Business And Careers" by Forbes Magazine, top ten of the nation's "Micro Cities of the Future" by Financial Times, and top 100 of the nation's "Best Communities for Young People" by America's Promise Alliance. Reasons for Greenville's accolades include a business friendly atmosphere, low cost of living and an educated population (39.3% City residents over the age of 25 have a bachelor's degree or higher, 2022 U.S. Census Bureau American Community Survey).



MAJOR EMPLOYERS

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





FY 2023 FINANCIAL RESULTS

GOVERNMENTAL ACTIVITIES

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

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

BALANCE SHEET

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

BALANCE SHEET	FY 2021	FY 2022	FY 2023
Assets	\$ 320,414,980	\$ 362,366,256	\$ 397,236,576
Deferred Outflows	\$ 53,394,621	\$ 47,800,561	\$ 48,060,536
Liabilities	– \$ 167,772,372	– \$ 145,788,009	– \$ 173,950,364
Deferred Inflows	– \$ 4,583,583	– \$ 51,242,836	– \$ 39,467,332
Total Net Position	\$ 201,453,646	\$ 213,135,972	\$ 231,879,416

INCOME STATEMENT	FY 2021	FY 2022	FY 2023
Revenues	\$ 99,570,425	\$ 103,459,850	\$ 113,868,361
Transfers	\$ 6,500,141	\$ 6,865,032	\$ 7,728,320
Expenditures	– \$ 97,594,369	– \$ 98,642,556	– \$ 102,853,237
Change In Net Position	\$ 8,476,197	\$ 11,682,326	\$ 18,743,444

ENTERPRISE ACTIVITIES

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

BALANCE SHEET	FY 2021	FY 2022	FY 2023
Assets	\$ 61,724,921	\$ 67,011,682	\$ 68,963,829
Deferred Outflows	\$ 4,826,443	\$ 4,462,389	\$ 5,052,477
Liabilities	– \$ 42,692,556	– \$ 35,989,003	– \$ 37,394,932
Deferred Inflows	– \$ 413,522	– \$ 4,705,377	– \$ 3,845,267
Total Net Position	\$ 23,445,286	\$ 30,779,691	\$ 32,776,107

INCOME STATEMENT	FY 2021	FY 2022	FY 2023
Revenues	\$ 17,533,728	\$ 22,442,348	\$ 21,741,685
Transfers	\$ 0	\$ 4,319	– \$ 636,891
Expenditures	– \$ 14,481,312	– \$ 15,112,262	– \$ 19,108,378
Change In Net Position	\$ 3,052,416	\$ 7,334,405	\$ 1,996,416

INCOME STATEMENT

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

FY 2023 NET POSITION

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

NET POSITION

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

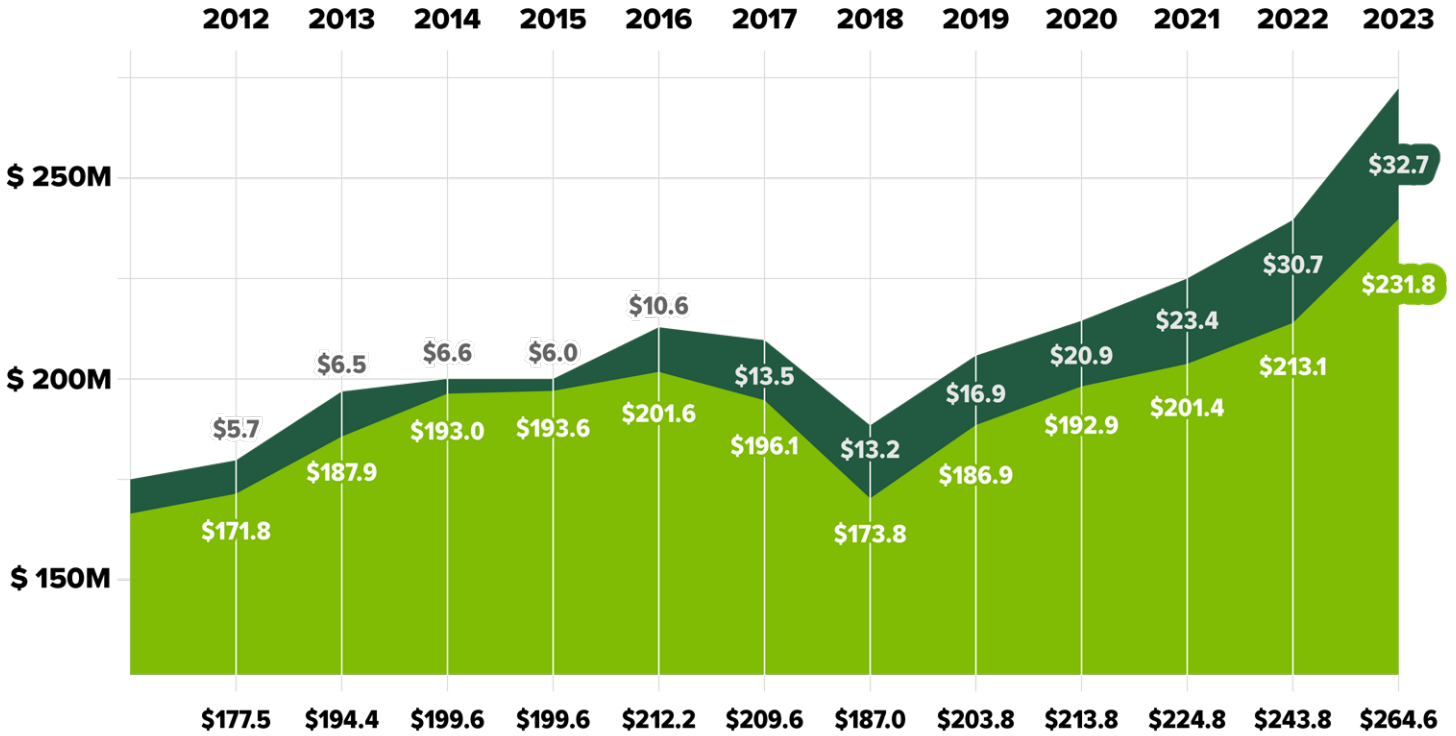
FY 2023 BALANCE SHEET

	Governmental Activities	Enterprise Activities	Total
Assets	\$ 445,297,112	\$ 74,016,306	\$ 519,313,418
Deferred Outflows	\$ 48,060,536	\$ 5,052,477	\$ 53,113,013
Liabilities	– \$ 213,417,696	– \$ 41,240,199	– \$ 254,657,895
Deferred Inflows	– \$ 39,467,332	– \$ 3,845,267	– \$ 43,312,599
Total Net Position	\$ 231,879,416	\$ 32,776,107	\$ 264,655,523

FY 2023 INCOME STATEMENT

	Governmental Activities	Enterprise Activities	Total
Revenues	\$ 113,868,361	\$ 21,741,685	\$ 142,701,475
Transfers	\$ 7,728,320	– \$ 636,891	\$ 7,091,429
Expenditures	– \$ 102,853,237	– \$ 19,108,378	– \$ 121,961,615
Change in Net Position	\$ 18,743,444	\$ 1,996,416	\$ 20,739,860

NET POSITION BY FISCAL YEAR



GOVERNMENTAL FUNDS	
Beginning Net Position	\$ 213,135,972
Revenues	\$ 121,596,681
Expenditures	– \$ 102,853,237
Ending Net Position	\$ 231,879,416

ENTERPRISE FUNDS	
Beginning Net Position	\$ 30,779,691
Revenues	\$ 21,104,794
Expenditures	– \$ 19,108,378
Ending Net Position	\$ 32,776,107

SOURCES OF CITY FUNDS

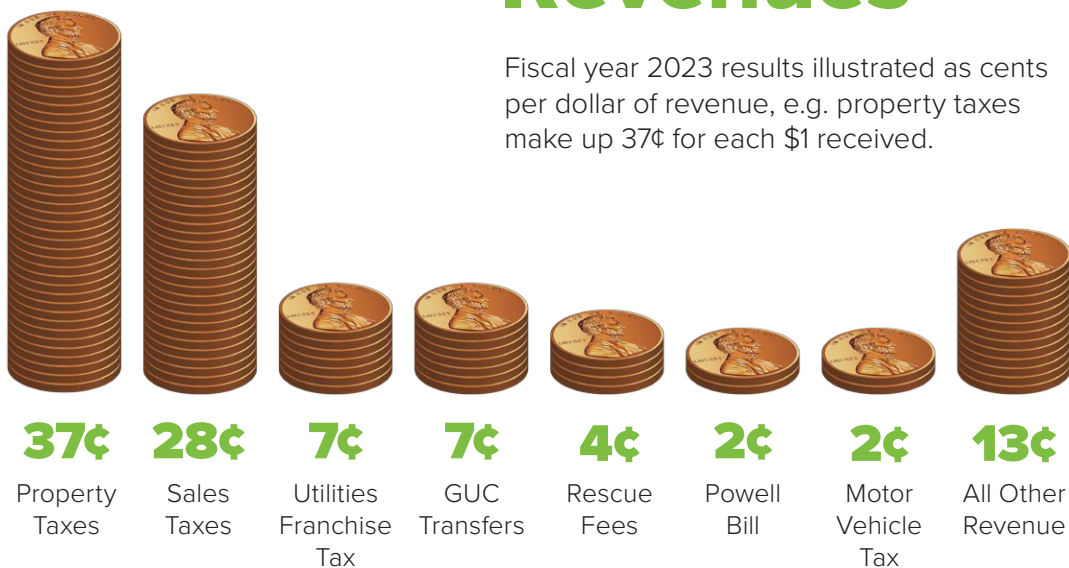
GENERAL FUND REVENUES

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

Revenue Sources	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Property taxes	\$ 34,254,841	\$ 36,994,088	\$ 37,411,270	\$ 38,940,491
Sales taxes	\$ 20,465,509	\$ 24,555,869	\$ 27,248,610	\$ 29,595,766
Motor vehicle tax	\$ 1,573,790	\$ 1,713,410	\$ 1,675,940	\$ 1,704,390
Utilities franchise tax	\$ 6,832,754	\$ 6,612,710	\$ 6,625,128	\$ 6,920,722
GUC transfers	\$ 6,654,003	\$ 6,565,310	\$ 6,729,351	\$ 7,091,429
Powell Bill	\$ 2,174,190	\$ 2,124,843	\$ 2,390,611	\$ 2,424,387
Rescue fees	\$ 3,182,772	\$ 2,447,717	\$ 3,990,787	\$ 4,167,213
All other sources	\$ 11,768,693	\$ 8,023,747	\$ 8,851,556	\$ 14,135,018
Total	\$ 86,906,552	\$ 89,037,694	\$ 94,923,253	\$ 104,979,416

Revenues

Fiscal year 2023 results illustrated as cents per dollar of revenue, e.g. property taxes make up 37¢ for each \$1 received.



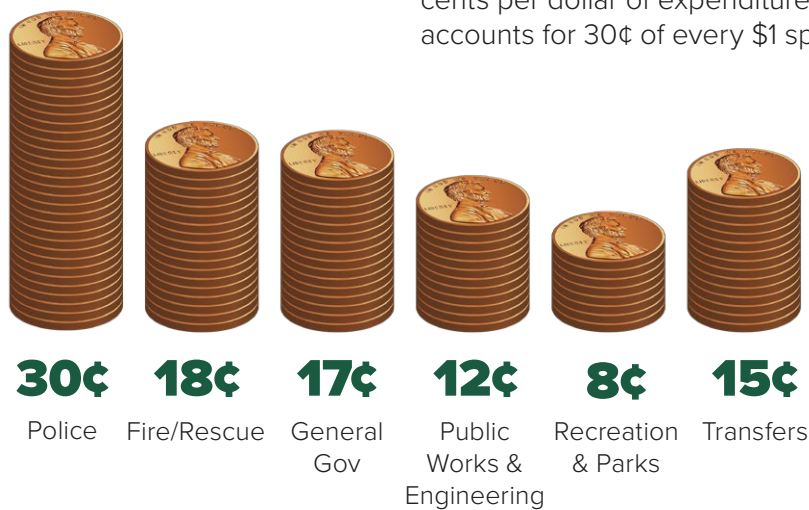
USES OF CITY FUNDS

GENERAL FUND EXPENDITURES

Each year, the City adopts its annual operating budget, which allocates limited dollars to the highest priorities as determined during the City Council planning retreat held each January. The General Fund is financed primarily by property and sales tax revenues, and supports core services such as public safety. The City provides many services to our citizens with the majority of our General Fund being dedicated to Public Safety, which includes Police at 29% and Fire/Rescue at 19% of the general government budget in fiscal year 2023.

Expenditures

Fiscal year 2023 results illustrated as cents per dollar of expenditure, e.g. Police accounts for 30¢ of every \$1 spent.



Department Expenditures	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Police	\$ 25,997,198	\$ 24,713,879	\$ 26,725,915	\$ 28,976,581
Fire/Rescue	\$ 13,722,127	\$ 15,041,336	\$ 17,195,047	\$ 17,320,676
Public Works	\$ 10,242,327	\$ 10,128,832	\$ 10,610,120	\$ 11,615,610
Recreation & Parks	\$ 7,184,198	\$ 6,541,020	\$ 7,227,702	\$ 8,248,774
General government	\$ 14,782,046	\$ 14,637,228	\$ 15,770,529	\$ 17,113,965
Transfers to other funds	\$ 13,167,334	\$ 17,065,754	\$ 14,062,474	\$ 15,014,004
Total	\$ 85,095,230	\$ 88,128,049	\$ 91,591,787	\$ 98,289,610

PROPERTY TAX BREAKDOWN

In order for the City of Greenville to provide the many services it does for citizens, it needs to generate revenue. One of the main sources of revenue is Ad Valorem (or property) tax. With the property tax rate being 48.95¢ per \$100 of valuation for FY 2023, it made up 37% of the total General Fund revenues.

Property tax revenues consist of real property values, personal property values, motor vehicles, and public service companies. For FY 2023, the valuation estimate provided by the Pitt County Tax Office was \$ 8,384,415,066. This represented a 3.96% increase in tax values from the previous year.



Property tax obligation for home values at the fiscal year 2023 tax rate of 48.95¢ per \$100 of valuation:

- \$ 100,000 – \$ 489.50**
- \$ 150,000 – \$ 734.25**
- \$ 200,000 – \$ 979.00**



37¢

Property Taxes

HISTORY OF GREENVILLE PROPERTY TAX RATES



CAPITAL IMPROVEMENTS

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



FY 2023 CAPITAL IMPROVEMENTS

37%	BUILD Grant	\$ 48,574,006
20%	Public Works & Engineering	\$ 26,491,196
19%	ARPA	\$ 24,689,311
12%	Recreation & Parks	\$ 16,535,234
9%	Fire/Rescue	\$ 12,266,143
3%	Other Projects	\$ 3,387,562
Total Capital Improvements		\$ 131,943,453



AMERICAN RESCUE PLAN ACT



The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act (ARPA), delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The City of Greenville was awarded \$ 24,689,311 in ARPA funding in 2021, and held numerous public input sessions and workshops to determine the best way to allocate funds to meet the needs of Greenville’s citizens. The City Council voted on and approved the following ARPA funding allocations, with projects scheduled to begin no later than December 2024 and completed by December 2026:

ARPA Funding Allocations

4th Street Reconstruction	\$ 5,238,850
BUILD Grant Match	\$ 3,600,000
Dream Park Community Center Renovations	\$ 1,000,000
Greenfield Terrace Improvements	\$ 1,000,000
Public Works Drainage Pipe Replacement	\$ 3,375,000
Employee Premium Pay	\$ 305,000
Small Business & Non-Profit Assistance	\$ 500,000
Town Common Bulkhead Replacement	\$ 9,670,461
Total	\$ 24,689,311

UNDERSTANDING CITY DEBT

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt the City may have outstanding to eight percent (8%) of the appraised value of property subject to taxation. According to Pitt County Tax Assessor records, the City of Greenville has an estimated assessed value of \$ 8,384,415,066 for fiscal year 2023. Based on this, the City’s legal debt capacity is approximately \$ 670.8 million. This capacity covers the debt that would be subject to property taxation.

The following is a summary of the City’s outstanding debt as of June 30, 2023:



FY 2023 TOTAL OUTSTANDING DEBT

38% Note Payable	\$ 25,846,529
25% General Obligations	\$ 16,905,000
20% Limited Obligations	\$ 13,820,000
12% Installment Purchases	\$ 8,330,062
4% Special Revenue	\$ 2,530,910
Total Outstanding Debt	<u>\$ 67,432,501</u>

GENERAL OBLIGATION BOND RATINGS

MOODY'S **Aa2**
(very strong)

S&P Global **AA**
(very strong)

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



GENERAL GOVERNMENT

Home to more than 95,500 people, the City of Greenville provides a multitude of services for residents, businesses, and visitors through its Police, Fire/Rescue, Public Works, Recreation and Parks, and Community Development Departments and a committed and knowledgeable staff in its internal departments and divisions.

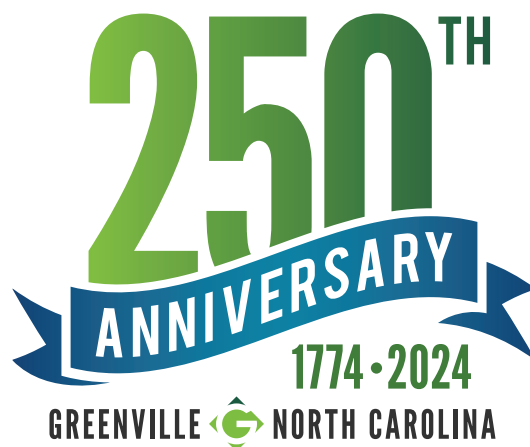
More than 700 City employees played a part in the City's successes during Fiscal Year 2023, and the City's commitment to inclusiveness and transparency in all areas of government is evident throughout the 38.9 square miles that make up Greenville.

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



Some additional highlights from FY 2023 include:

- More than 6,360 applications for employment were processed and reviewed; over 1,114 job interest cards were received by the Human Resources Department.
- Nearly 9,170 payments were processed by the Collections Division.



COMMUNITY DEVELOPMENT

The Planning & Development Services and Neighborhood & Business Services departments administer and implement policies, programs, and services that pertain to the City’s communities and physical environment.

The Planning & Development Services Department serves as the administrative and technical coordinator for current land development and long-range planning activities within the city’s planning jurisdiction, and protects the safety and well-being of all of Greenville citizens by providing building permit service and enforcing the North Carolina State Building Codes.

The Neighborhood & Business Services Department administers programs that help with homeownership, creation of affordable rental development, neighborhood revitalization and enrichment, and related human services; maintains the quality of life for Greenville citizens by enforcing City Codes to ensure a safe and attractive environment; and provides support and resources to promote downtown and small business.



Permits	FY 2021	FY 2022	FY 2023
Total permits issued	7,523	8,713	8,949
Total value new construction	\$ 393M	\$ 334M	\$ 394M
Inspections performed	16,410	17,674	18,940
Commercial plan reviews	437	521	547
Residential plan reviews	712	790	960

Community Revitalization*	FY 2021	FY 2022	FY 2023
Downpayment assistance	\$ 144,845	\$ 80,000	\$ 38,774
Owner-occupied rehabilitation	\$ 828,362	\$ 396,027	\$ 594,903

*These numbers reflect actual expenditures for these categories in community revitalization during FY 2021, FY 2022, and FY 2023.



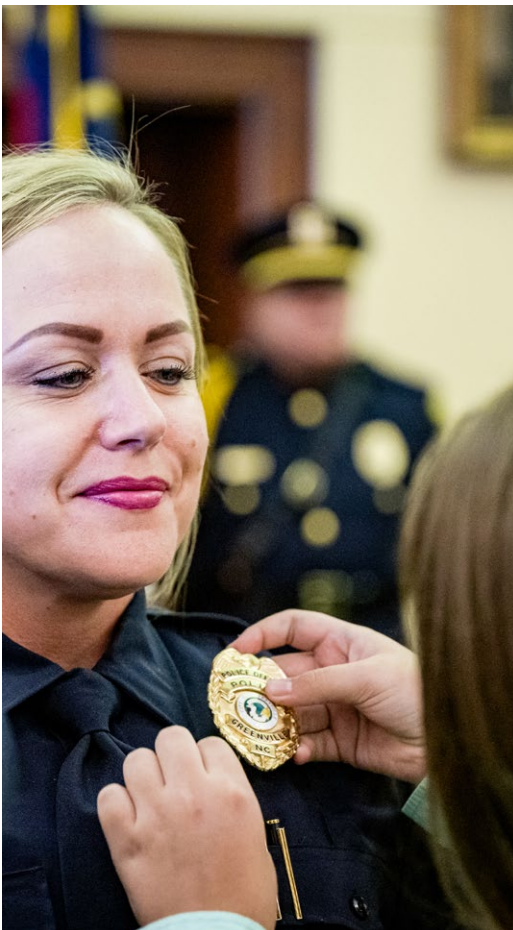


PUBLIC SAFETY

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

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

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



Greenville Police	FY 2021	FY 2022	FY 2023
Sworn Police Officers	204	202	200
Number of calls dispatched	41,805	36,264	36,535
Crimes against person	433	410	472
Crimes against property	2,615	2,087	2,562
Reportable crashes	4,030	4,173	4,021

Greenville Fire/Rescue	FY 2021	FY 2022	FY 2023
Full-time Fire/Rescue positions	173	173	173
Number of calls dispatched	18,363	19,246	20,634
Fire incidents	325	339	296
EMS incidents	15,150	15,607	15,739
Technical rescue incidents	37	68	73
Hazardous material incidents	99	153	151
Inspections completed	4,012	3,190	3,145

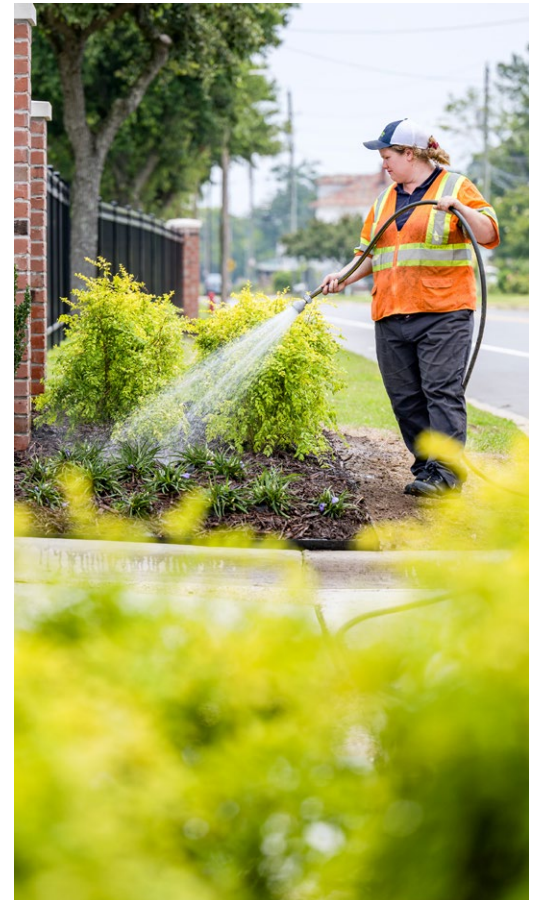
PUBLIC WORKS & ENGINEERING

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

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

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

Refuse Collection	FY 2021	FY 2022	FY 2023
Weekly routes	24	44	44
Refuse collected (tons)	29,522	39,063	38,464
Recycling routes	20	20	24
Recyclables collected (tons)	2,511	1,994	1,681
Roadways			
Total paved lane miles maintained	741	742	747
Bridges maintained	10	10	10
Fleet Maintenance			
Work orders	6,841	10,968	n/a
Building & Grounds			
Trees planted	100	50	100
Stormwater			
Total miles of drainage pipe	229	225	227
Structures (basins, culverts, etc)	15,396	15,431	15,665







RECREATION & PARKS

The Recreation and Parks Department provides a variety of athletic, recreational, and arts and crafts activities for all ages and special populations. The department maintains 37 parks and recreational facilities, including numerous gymnasiums, recreation and community centers, swimming pools, tennis courts, a soccer complex, softball and baseball fields, playgrounds, a greenway, as well as the Town Common and Greenville Toyota Amphitheater, River Park North, Bradford Creek Public Golf Course, the Aquatics & Fitness Center, the Extreme Park, River Birch Tennis Center, and Wildwood Park.

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



Recreation & Parks	FY 2021	FY 2022	FY 2023
Parks and sites	37	37	37
Total park acres	1,634	1,622	1,622
Total Greenway Miles	8	8	9
Primitive Trails	2	4	9
Programs & camps offered	427	1,134	1,125
Total program participants	9,100	17,100	21,470

City Maintained Recreational Facilities

Indoor and outdoor pools	2	2	2
Recreation centers	9	9	10
Outdoor basketball courts	1	1	1
Outdoor tennis courts	18	18	15
Playgrounds	19	19	20
Diamond fields	17	17	17
Rectangular fields	7	7	7
Other athletic fields	3	3	3
Picnic shelters	25	25	27
Golf courses	1	1	1

