

** The prior version (prior to November 7, 2014) of the fiscal year 2013 Comprehensive Annual Financial Report cannot be relied on in its entirety. Please accept this revised copy. **

Comprehensive Annual Financial Report

For Fiscal Year Ending June 30, 2013



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introductory section



letter of transmittal

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

October 31, 2013

It is our pleasure to submit the Comprehensive Annual Financial Report for the City of Greenville, North Carolina for the Fiscal Year ended June 30, 2013. While Greenville strives to be a transparent organization regularly, State law requires that all general-purpose local governments publish a complete set of financial statements annually. These statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with these requirements.

This report is the management's representation of the City's financial position and results of operations as of and for the fiscal year ended June 30, 2013. Management is responsible for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed their anticipated benefits, the City's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate, and reliable in all material respects.

As indicated previously, the City is required by state law to have an annual independent financial audit. A compliance audit on federal and state financial assistance is also required under the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act. Martin Starnes & Associates, CPAs, P.A., a certified public accounting firm, conducted the audits and concluded in an unqualified opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and changes in financial position for the City of Greenville, North Carolina, as of June 30, 2013. The Report of the Independent Auditor is located at the beginning of the financial section of this report. The results of the compliance "Single Audit" show no material internal control or material violations of laws relative to federal or state programs. These reports are available in the "Single Audit" section of this report.

As a part of the annual financial presentation, management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

Founded in 1771 as Martinsborough (named for the Royal Governor, later re-named for General Nathaniel Greene), Greenville sits on the banks of the Tar River as the economic, education, and medical capital of Eastern North Carolina. With a population of more than 87,000 and growing, Greenville is now the 10th largest city in North Carolina and is affectionately referred to as the "Hub of Eastern 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.

The City operates under a council-manager form of government. The seven-member City Council is the policy-making and legislative body of City government. The Council enacts local laws and ordinances, adopts the annual budget and financial plan for the operations of the City, and authorizes contracts for the City. The Mayor is the presiding officer of the Council and signs all documents authorized by Council.

Five of the seven Council members are elected from individual districts, and two members, including the Mayor, are elected at-large. A Mayor Pro-Tem, who will assume mayoral duties in the absence of the Mayor, is selected from the members of the newly elected Council body. Each of the Council members, including the Mayor, serves two-year terms and is elected on a biannual basis. The Council also appoints the City Manager, City Attorney, City Clerk, and members of the volunteer boards and commissions. The City Manager is responsible for implementing Council policies, City ordinances, managing daily operations, and appointing department directors.

The Greenville City Council is required to adopt a budget by July 1 of each year. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for its financial planning control. The City Manager is authorized by the budget ordinance to make certain limited transfers within funds to facilitate budget execution consistent with Council intent.

The City 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, 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.

Local Economy

At the heart of Greenville are two large, very significant economic generators – East Carolina University (ECU) and Vidant Medical Center. Their presence and growth have allowed Greenville to grow into a prosperous “uni-med” community. In the educational area, ECU is one of the largest universities in the University of North Carolina system with more than 27,000 students and contributes to the employment of roughly 9,100 people in the education field. 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.

ECU's Centennial Campus offers more than 4.6 million square feet of academic research and residential space. The Health Sciences Campus includes the Brody School of Medicine, the James and Connie Maynard Children's Hospital, the East Carolina Heart Institute, the Leo Jenkins Cancer Center, and the Allied Health Center-composed of the College of Nursing, Laupus Medical Library, and the College of Allied Health Science. ECU's School of Dental Medicine, which opened in 2011, is housed at the Health Sciences Campus, but has clinics spread around the region to reach out to and serve underserved communities with dental care. Additionally, ECU houses the West Campus, which is the home of the North Carolina Agromedicine Institute; partners for Health and Safety in Agriculture, Forestry, and Fisheries.

Pitt Community College (PCC) is one of the top community colleges in the state, earning “Exceptional Institutional Performance” status – only one of 11 in the state to have earned that distinction. PCC offers more than 200 classes via the Internet, telecourses, as well as community-based continuing education courses for students in the Greenville area. Additionally, Miller-Motte College provides private career education as well as the public K-12 system, Pitt County Schools (PCS), and is accredited by the Southern Association of Colleges and Schools.

An off-shoot to being a “uni-med” community is the bio-med businesses which thrive in the uni-med environment. Several medical innovations have been developed in Greenville including robotic heart valve replacement surgery and an implant to help patients overcome stuttering. Greenville is also home to a very important bio-pharmaceutical cluster, providing significant employment to our residents and the surrounding area. DSM Pharmaceuticals is an important component of this cluster.

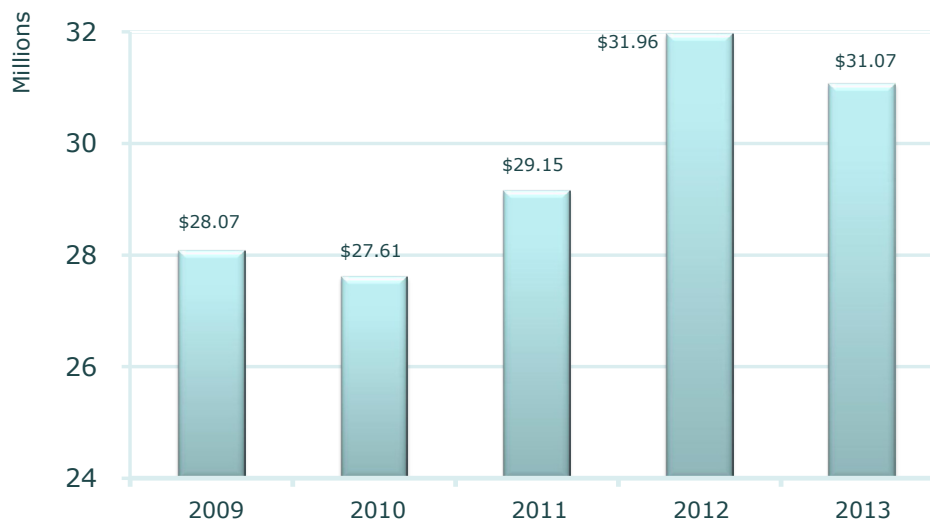
Much of the manufacturing in Greenville is located outside of the city limits, but inside the extra-territorial jurisdiction (ETJ). This provides stable employment for Greenville's residents, but does not provide the property tax base which would help Greenville provide city services. DSM Dyneema, which produces components in ropes, cables, and nets for the fishing and shipping industry, NACCO Materials Handling Group, which designs, engineers, and manufactures materials handling equipment, DENSO, a global automobile supplier of advanced automotive technology systems and components, ASMO, which produces front wiper motor linkages, rear wiper motors, arms, and blades and radiator fan motors for its North American customers, and Grady-White Boats, which has a legendary reputation for designing and producing outstanding fiberglass boats all call Greenville home.

Economic Impact to City

As the City's FY13 budget was being developed in March 2012, the Conference Board Leading Economic Index projected annual Real Gross Domestic Product (GDP) growth for 2013 of 2.4%, which is considered modest. The North Carolina state perspective was less optimistic. Similar reports during the same time frame from the North Carolina League of Municipalities predicted a slow economic recovery and indicated that state sales tax receipts will not return to pre-recessionary levels until 2014, which is six years after the start of the “Great Recession of 2008”. Greenville's economic recovery is anticipated to follow state trends, with more robust recovery anticipated in late 2014 or beyond.

The results of the 2012 Pitt County property tax revaluation were released indicating a reduction in valuation from \$6 billion to \$5.6 billion during the 2012 tax year. This represented a reduction in value of \$407 million or 6.7%. Rather than adopting a revenue-neutral tax rate which would have increased the tax rate up from 52 cents per \$100 of valuation to approximately 56 cents per \$100, the City Council retained the current 52 cents per \$100, and adjustments were made to departmental budgets and to the Capital Improvement Program to support maintaining the existing tax rate. Other sources, such as sales tax, utilities franchise tax, and building fees continued to reflect the slow economic recovery as predicted by the State. Based on revenues of \$70.13 million and expenses of \$71.42 million, the City's General Fund budget for the FY13 budget was balanced using \$1.28 million of fund balance.

Fund Balance



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Despite the use of fund balance, the City of Greenville maintained a healthy total Fund Balance of approximately \$31 million and continued to exceed the 14% unassigned fund balance policy established by City Council. Further, the City of Greenville has maintained a relatively low level of debt with total governmental backed debt accounting for approximately \$35 million. Total City debt is \$156 million.

As of June 30, 2013, the City of Greenville maintained strong bond ratings with Standard and Poors and Moody's of AA and Aa2, respectively.

Long-Term Financial Planning and Major Initiatives

Considering the prediction of continued economic stagnation in the local economy, the City Council funded the establishment of a new Office of Economic Development in the FY13 budget. The purpose of this Office is to foster economic development for the community with the goal of developing additional tax base and increasing employment opportunity. A work program for the new Economic Development Office was approved, including developing a Greenville Economic Development Plan and conducting a SWOT assessment which would provide direction on furthering economic development activity for the City of Greenville and its region through partnerships.

Despite difficult economic conditions, City Council still invested in capital projects to support the community's future, including:



- The new Dream Park, which is the City's first "splash park", opened in West Greenville with a firefighting theme. The cost of this facility was \$809,841. This new addition to Greenville's park system has been very well received.
- A major renovation of the Eppes Recreation Center, including the gymnasium, was completed at a cost of \$282,000.
- The Council moved forward with new energy savings equipment totaling \$2.1 million.
- The new Emergency Operations Center was completed for \$825,930.

An operational review of the Bradford Creek Golf Course was conducted during FY13. As a result, the City Council will be requested in the FY14 budget to adjust certain golf fees and rates to make this a more financially viable venue and to provide additional funds toward capital improvements.

Moving toward 2014, city staff plans to evaluate and develop operational models for the sanitation and stormwater funds to ensure long-term financial viability. For FY14, the Council will be presented the option to increase sanitation rates in order to modernize the City's refuse system by moving to a new automated system. Greenville is the last of the most heavily populated cities in North Carolina to move toward automated service. If accepted, the fee increase will allow the Sanitation Division to purchase new automated refuse trucks and make necessary revisions in operational practices that will curtail expenses over the long term.

As we move forward toward 2014 and beyond, there is optimism that the economic environment will change and more resources will become available for the City. Further, it is the intent of the City Council and city staff to continue to review and resolve issues related to revenues, service delivery efficiencies, deferred capital maintenance, and new major capital investment to successfully position the Greenville City and surrounding area to continue to maintain its position as the "Hub and the Heart of Eastern North Carolina!"

AWARDS ACKNOWLEDGEMENTS

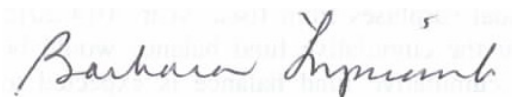
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Greenville for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the 24th consecutive year that Greenville has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year July 1, 2012 to June 30, 2014. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

We recognize the City's responsibility for the contents of this report and would like to express our appreciation for the cooperation and assistance of our independent auditors, Martin Starnes & Associates, CPAs, P.A., in its preparation. We wish to express our appreciation to all members of the entire City staff for their cooperation and assistance with this project as well as other assignments. We also express our thanks to the Mayor and members of the City Council for making possible the excellent financial position of the City, and for their interest and support in planning and conducting the financial affairs of the City in conformance with the highest standards of professionalism in the management of the City of Greenville's finances.

As required by the North Carolina General Statute 159-34, a copy of this report will be filed with the Secretary of the North Carolina Local Government Commission. In addition, a copy will be sent to the City Clerk to be available for public inspection.

Respectfully submitted,



Barbara Lipscomb, ICMA-CM, MRP, CPM
City Manager



Government Finance Officers Association

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

Presented to

**City of Greenville
North Carolina**

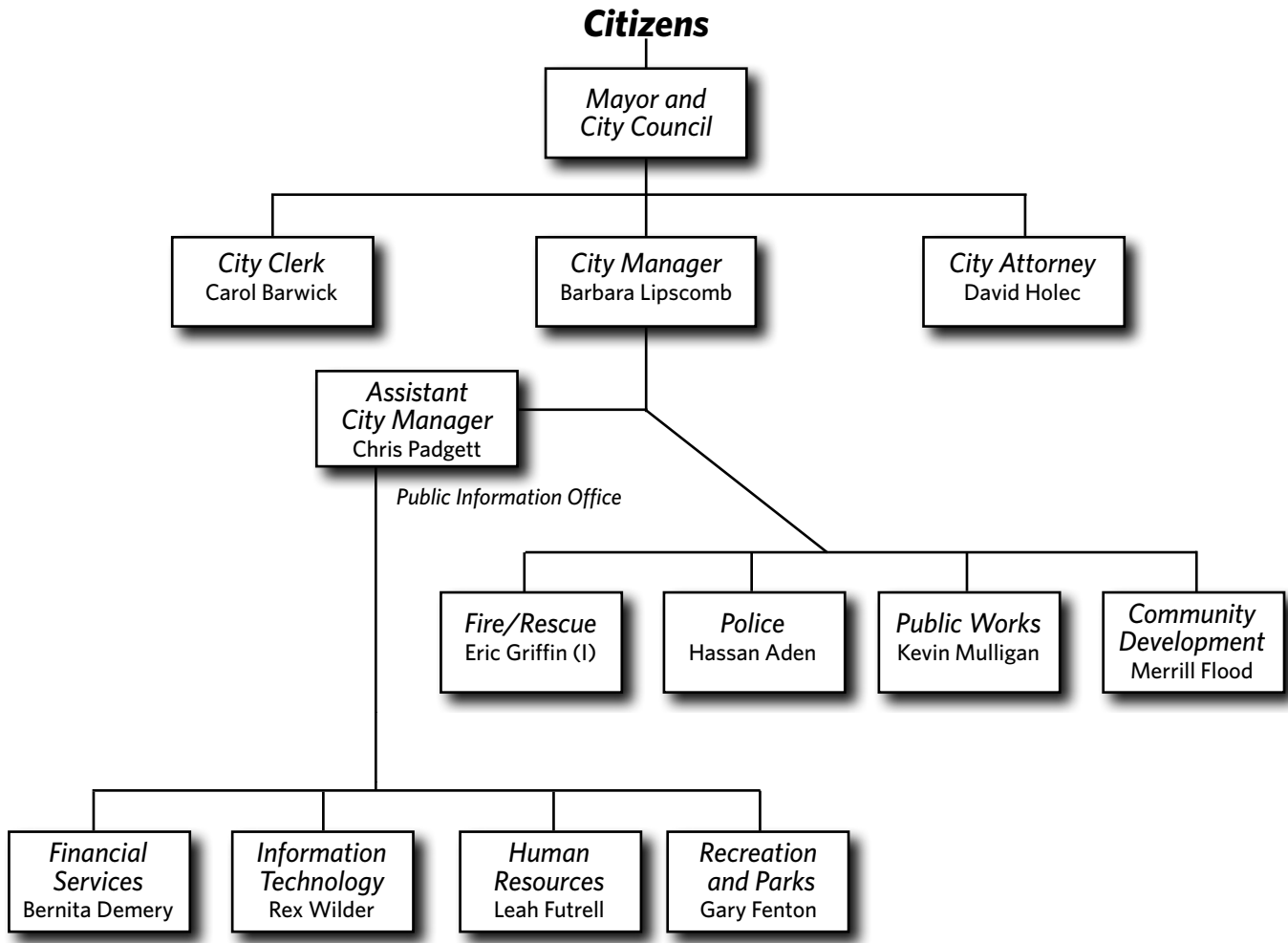
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

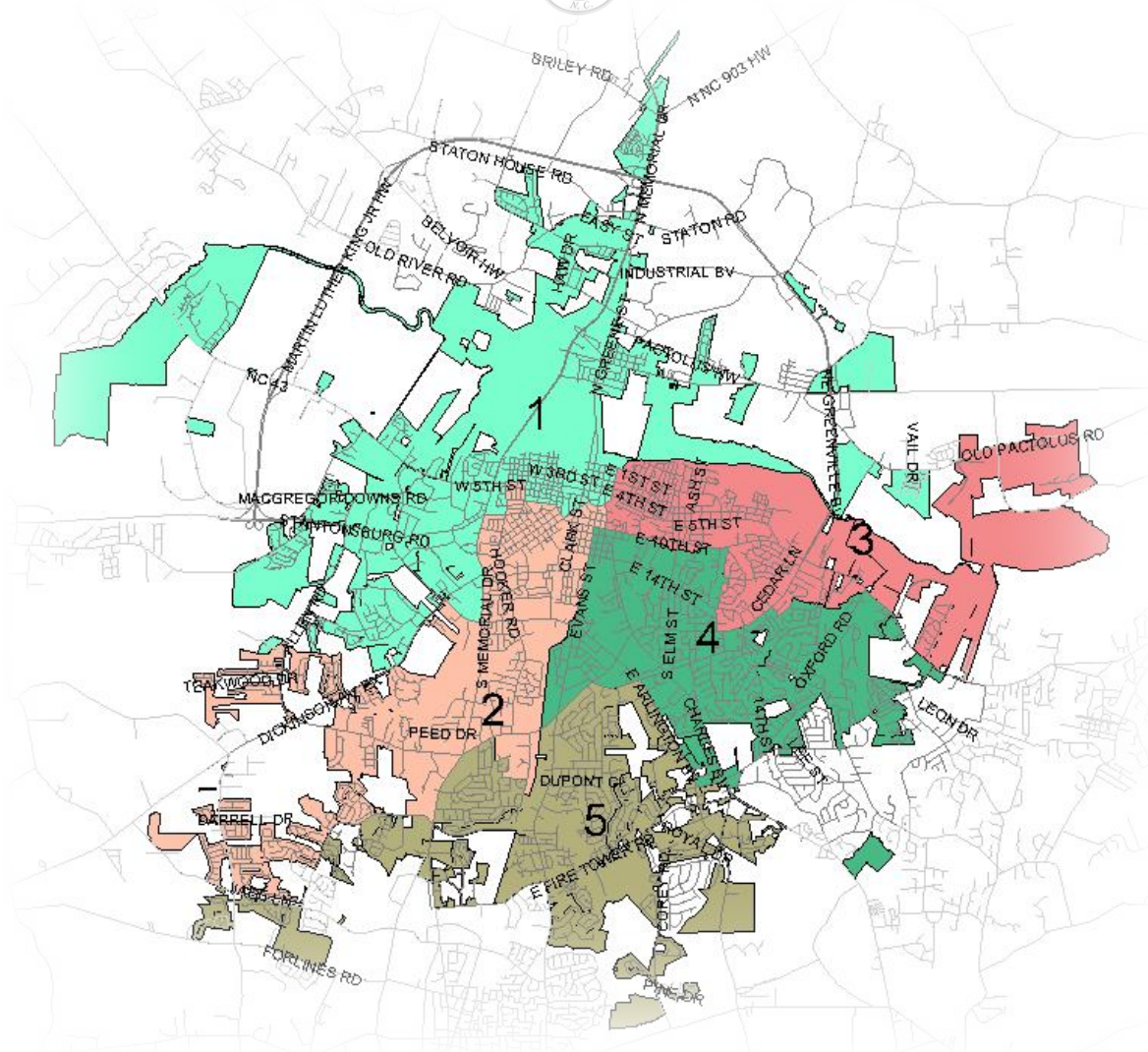


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Mayor
Allen Thomas



District 1
Kandie Smith



Mayor Pro-Tem
District 2
Rose Glover



District 3
Marion Blackburn



District 4
Calvin Mercer



District 5
Max Joyner



At-Large
Dennis Mitchell

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financial section



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**MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.**

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and
Members of the City Council
City of 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, as of and for the year ended June 30, 2013, 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.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085
Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

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 of Greenville, North Carolina, as of June 30, 2013, 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions and the Other Post-Employment Benefits Schedule of Funding Progress and Schedule of Employer Contributions 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 of Greenville's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical section as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, 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 Americas. In our opinion, the combining and individual fund financial statements, budgetary schedules, other schedules, 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 information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements; and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013 on our consideration of the City of Greenville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing; and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenville's internal control over financial reporting.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 31, 2013

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Management's Discussion & Analysis

As management of the City of Greenville, we offer readers of the City's financial statements, this narrative and analysis of the financial activities for the fiscal year ended June 30, 2013. We encourage readers to read the information presented in conjunction with the preceding transmittal letter and the additional information that we have included in the City's financial statements, which follow this narrative.

Financial Highlights

Highlights of the City's fiscal year ended June 30, 2013, 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 \$520,264,909 (net position). Of this amount, \$117,883,148 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$24,579,763, primarily due to increases in governmental activities. The City's net position of business-type governmental activities increased by \$8,471,418. The governmental activities increased due to the inclusion of the City's investment in equity interest from the Pitt-Greenville Airport. This is the first year that this has been recorded in the Government Wide Statement of Net Position. The amount is \$17,973,735 as of year-end.
- During fiscal year 2012-2013, the operations of the City's Golf Course have been closed into the General Fund for better efficiencies. Historically, this fund has operated as an enterprise fund; however, results from operations have not been self-supporting. Therefore, City's management decision to absorb the operations within the General Fund would allow time to better manage and develop a strategic plan to monitor and transform operations into a more competitive and self-sufficient operation.
- The City of Greenville's governmental funds reported combined ending fund balances of \$40,385,745, a decrease of \$1,616,188 in comparison with the prior year. This decrease is largely due to capital project activity spending existing bond proceeds. Approximately 67% of the total fund balance within the General Fund, or \$20,724,798 is available for spending at the government's discretion. Of this amount, 55% is considered unassigned fund balance. The Governmental Fund Unassigned fund balance decreased \$3,136,447 as a result of City management's decision to reallocate current resources to projects considered necessary. Approximately 31% of the total amount, or \$12,551,577, is nonspendable or restricted.
- Unassigned fund balance for the General Fund was \$11,400,992 or 16% of total General Fund expenditures (including transfers out) for the fiscal year. Overall, the fund balance from current year's activity, for the General Fund decreased by \$1,275,473, when compared to prior year. This decrease is the result of a decreased property tax rate, resulting from maintaining a rate of .52 cents during a revaluation year. Additionally, the City realized lower grant revenue during the current year. City departments continued to be fiscally conservative in anticipating any shortfalls that could result this year. This was

evidenced by expenditures increasing by only one percent.

- The current year's decrease in fund balance was offset by a \$377,715 prior period adjustment. The overall change in fund balance position as of June 30th is a decrease of \$897,758.
- The City of Greenville's total debt, including the Greenville Utilities Commission managed debt; (excluding Law Enforcement Officer Separation Allowance, OPEB and Compensated Absences liabilities) had a net increase of \$5.65 million during the current fiscal year due to issuance of new debt during the year and the paydown of both City and GUC debt.
- In November of 2012, the City of Greenville refinanced the Series 2004 Certificates of Participation (COPS) Bonds and the 2009 Installment Agreement. The savings on this refunding will be approximately \$1.7 million over 13 years.

In addition, the City recognized the following accomplishments:

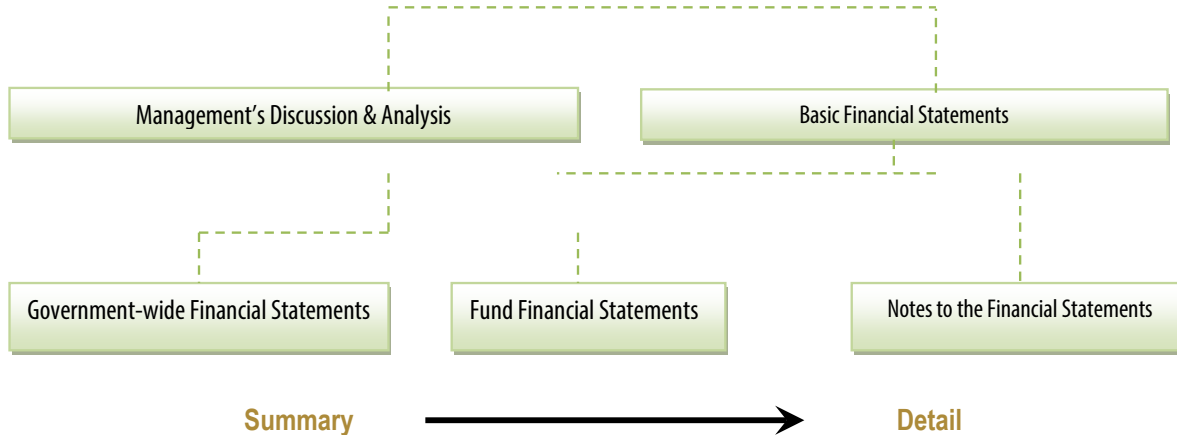
- The City of Greenville maintained its AA rating indicating very strong capacity to meet its financial obligations. The Local Government Commission recommends that cities maintain at least eight percent of their operating budget in reserves (available for spending). Greenville has a policy of maintaining at least 14% of budgeted expenses within the unassigned category and currently has a reserve ratio of 14%, which is equivalent to almost two months of regular operational expenses. These reserves provide stability during uncertain economic times ensuring core services can be maintained without having to increase taxes.
- The City received an unmodified or "clean" opinion from the independent auditing firm, Martin Starnes & Associates. An unmodified opinion denotes the highest level of assurance of compliance with accounting standards and practices and of internal controls with no material weaknesses or significant deficiencies.
- For the 24th 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 state and federal grant funds finance most of these activities. The business-type activi-

ties 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, sanitation, and golf course services (which were closed into the General Fund during the current year) 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 government 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, stormwater utility, and golf course activity (which was closed into the General Fund during the current fiscal year). 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. As you review the following financial statements, it is important to note that the Bradford Creek Golf Course has been closed to the General Fund for future operations.

Internal Service Funds are accounting devices used to accumulate and allocate costs internally among the functions of City of Greenville and Greenville Utilities Commission. The City of Greenville currently has three functioning internal service funds. The City uses internal service funds to account for its fleet maintenance program, health insurance, and the management and purchase of replacement vehicles. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the govern-

mental 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 established the Other Post Employee Benefits (OPEB) Trust Fund to account for resources that are held in a trust for the employees.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit K of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Greenville's progress in funding its obligation to provide pension benefits for the law enforcement officers through the special separation allowance. Required supplementary information can be found following the notes section of this report.

Interdependence with Other Entities

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

City of Greenville's Net Position

Figure 2

	Government Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 59,427,742	\$ 60,100,344	\$ 125,027,036	\$ 123,818,778	\$ 184,454,778	\$ 183,919,122
Investment in joint venture	17,973,735	-	-	-	17,973,735	-
Capital assets, non-depreciable	74,121,477	70,472,939	51,672,221	46,204,577	125,793,698	116,677,516
Capital assets, net	98,453,768	100,913,718	313,866,278	307,544,534	412,320,046	408,458,252
Deferred outflows of resources	1,183,981	-	1,360,672	-	2,544,653	-
Total Assets and deferred outflows of resources	\$ 251,160,703	\$ 231,487,001	\$ 491,926,207	\$ 477,567,889	\$ 743,086,910	\$ 709,054,890
Long-term liabilities outstanding	\$ 55,430,054	\$ 47,415,886	\$ 135,054,617	\$ 116,560,443	\$ 190,484,671	\$ 163,976,329
Other liabilities	7,669,667	12,151,453	24,508,342	37,115,616	32,178,009	49,267,069
Deferred inflows of resources	159,321	126,346	-	-	159,321	126,346
Total liabilities and deferred inflows of resources	\$ 63,259,042	\$ 59,567,339	\$ 159,562,959	\$ 153,676,059	\$ 222,822,001	\$ 213,369,744
Net position:						
Investments in capital assets, net						
investment in capital assets	\$ 140,381,852	\$ 136,640,297	\$ 251,119,747	\$ 242,481,969	\$ 391,501,599	\$ 379,122,266
Restricted	10,880,162	17,010,996	-	-	10,880,162	17,010,996
Unrestricted	36,639,647	18,142,023	81,243,501	81,409,861	117,883,148	99,551,884
Total net position	\$ 187,901,661	\$ 171,793,316	\$ 332,363,248	\$ 323,891,830	\$ 520,264,909	\$ 495,685,146

Government-Wide Financial Analysis

The following is a summary of net position as of June 30, 2013 (as shown in Exhibit A) with comparative data for June 30, 2012.

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 \$520,264,909 (net position). The City's net increased by \$24,579,763 for the fiscal year ended June 30, 2013, when compared to prior year. However, the largest portion (75%) 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, \$10,880,162 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$117,883,148 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 the total unrestricted governmental net position:

- Recognizing the City's equity interest in the Pitt-Greenville Airport's capital assets. This was the first year to make that recognition, representing \$17.9 million of the change from year to year.
- Continued low cost of debt through the City's bond rating. Refinanced Series 2004 Certificate of Participation (COPS) and Series 2009 Installment Agreement yielding almost \$1.7 million in savings over 13 years.
- Property tax collection percentage of 97.30%.

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	
	2013	2012	2013	2012	2013	2012
Revenues						
Charges for services	\$ 9,740,867	\$ 10,286,919	\$ 274,184,179	\$ 270,948,664	\$ 283,925,046	\$ 281,235,583
Operating grants and contributions	4,522,778	9,819,636	889,979	1,009,120	5,412,757	10,828,756
Capital grants and contributions	3,975,379	4,091,125	1,212,759	4,911	5,188,138	4,096,036
General revenues:						
Ad valorem taxes	30,445,847	31,487,007	-	-	30,445,847	31,487,007
Other taxes	11,893,015	11,935,555	-	-	11,893,015	11,935,555
Other	10,572,329	10,698,337	227,528	336,577	10,799,857	11,034,914
Total revenues	71,150,215	78,318,579	276,514,445	272,299,272	347,664,660	350,617,851
Expenses						
General governmental	21,602,710	10,480,017	-	-	21,602,710	10,480,017
Public safety	29,711,884	39,384,581	-	-	29,711,884	39,384,581
Transportation	7,593,094	10,325,779	-	-	7,593,094	10,325,779
Cultural and recreation	3,688,000	11,502,602	-	-	3,688,000	11,502,602
Economic and physical development	14,501,140	6,065,463	-	-	14,501,140	6,065,463
Interest and fees	826,340	1,657,520	-	-	826,340	1,657,520
Electric	-	-	192,057,666	191,268,637	192,057,666	191,268,637
Water	-	-	15,856,698	16,402,889	15,856,698	16,402,889
Sewer	-	-	16,837,578	16,208,334	16,837,578	16,208,334
Gas	-	-	26,188,583	24,946,617	26,188,583	24,946,617
Public transportation	-	-	2,499,439	2,178,017	2,499,439	2,178,017
Bradford Creek Golf Course	-	-	-	930,182	-	930,182
Stormwater Utility	-	-	2,903,761	3,118,660	2,903,761	3,118,660
Sanitation	-	-	6,791,739	6,642,899	6,791,739	6,642,899
Total Expense	77,923,168	79,415,962	263,135,464	261,696,235	341,058,632	341,112,197
Increase in net position before transfers	(6,772,953)	(1,097,383)	13,378,981	10,603,037	6,606,028	9,505,654
Transfers	4,907,563	5,554,528	(4,907,563)	(5,554,528)	-	-
Increase in net position	(1,865,390)	4,457,145	8,471,418	5,048,509	6,606,028	9,505,654
Net position, July 1	171,793,316	167,336,171	323,891,830	318,843,321	495,685,146	486,179,492
Restatement	17,973,735	-	-	-	17,973,735	-
	189,767,051	167,336,171	323,891,830	318,843,321	513,658,881	486,179,492
Net position, June 30	\$ 187,901,661	\$ 171,793,316	\$ 332,363,248	\$ 323,891,830	\$ 520,264,909	\$ 495,685,146

Governmental Activities: Governmental activities decreased the City's net position by \$1,865,390. Of total net position, governmental activities accounted for \$187,901,661, or 36%. Key elements of this decrease are as follows:

- Grant revenue activity was the key element of the decrease. The City received a greater amount of grant revenue during the prior year. Also, some grants that the City has held for years are beginning to phase out, requiring the General Fund to absorb the amounts.
- Maintaining the property tax rate at .52 per \$100 valuation during a revaluation year. This reduced the property tax receipts amounts recognized here by approximately \$1 million.

Business-type Activities: The Greenville Utilities Commission has net position of \$325,811,666 as of June 30, 2013. This represents 98.3% of the total business-type activities net position amount. Of this amount, \$79,035,173 (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 31% of total Commission expenses for the fiscal year. Overall, business-type activities increased the City of Greenville's net position by \$8,471,418. Of which the Commission contributes \$7,630,252 of that change. This makes up approximately 90% of the total business-type activities increase in net position. The key element of this increase is as follows:

- Charges for services increased by \$4,329,214 or 1.7 percent. The Electric Fund accounts for 73.9% of this increase, which resulted primarily from an increase in customer consumption.
- Additionally, the expenses in the business-type activities have gone down due to the reclassification of the Bradford Creek Golf Course from Enterprise to the General Fund.

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 \$23,914,028, while total fund balance was \$31,067,209. As a measure of the General Fund's liquidity, it may be useful to compare both fund balance and total fund balance to total fund expenditures (including transfers). Available fund balance represents 33% of total General Fund expenditures, while total fund balance represents 44% of that same amount. The City Council for the City has determined that the City shall maintain an unassigned balance of 14% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the City. Currently, the 14% in unassigned fund balance equals almost two months of operational expenses. As of June 30, 2013, the governmental funds of City of Greenville reported a combined fund

balance of \$40,385,745, which is a four percent decrease from prior year due to reduced property tax receipts, as a result of maintaining the tax rate during a revaluation 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 \$3,888,775. When compared to the adjustments proposed last year, this is a 30% decrease. Consistent with prior year, the majority of this decrease concerns transfers related to capital projects which decreased from the prior year due to the tighter monitoring of budgets by departments.

General Fund's operational revenues exceeded expenditures by \$165,965 (before other financing sources), decreasing almost 95% from the change experienced in FY 2012. General Fund total revenues decreased five percent, with operating revenue decreasing more than 3.5 percent. Operational expenditures remained level with the prior year increasing by only a percent. Inclusive of other financing sources, General Fund expenditures exceeded revenues by \$1,275,473, decreasing over 100% from FY 2012's net result.

While the budget amendments for the year amounted to approximately \$3.9 million, actual operating revenues remained within budget by less than four percent margin. The city had a property tax revaluation, effective January, 2012. As a result, the City Council elected to maintain a tax rate of \$.52 per \$100 in valuation, which was less than the revenue neutral rate. As such, property tax revenue decreased four percent. Sales Tax gross receipts remained relatively flat to prior year. Restricted Intergovernmental revenues decreased 17% percent due to a decrease in grant revenues recognized within the General Fund. In prior year, City staff decided to set up a Special Revenue Fund to track all future grant proceeds. As such, new grant funds received are being classified as special revenue instead of being absorbed within the general fund, which will explain a portion of the continued decrease within this category. With the economy not recovering at a pace anticipated, investment earnings decreased from prior year by approximately 93%. This category continues to lag the budget by greater than 100%. This year's actual was sharply impacted by the increase in the Treasury during the last month of the year, which affected the mark to market adjustments.

General Fund expenditures remained almost flat in comparison to the prior year, increasing approximately one percent. Overall, all expenditure categories variances were less than 10%; however the most significant changes were in recreation. During the current year the operations for the Bradford Creek Golf Course (formerly an enterprise fund) were absorbed into the General Fund. Consistent with prior year, other notable expenditure increases were in Contracted Services, Fuel, and Utility costs. Capital Improvement costs also remained flat with annual change of less than one percent; however this category was significantly under budget as a result of management making the choice to delay capital projects during this continued state of economic uncertainty. Overall, there was no unusual or significant activity noted within General Fund expenditures during FY 2013.

Proprietary Funds: The City of Greenville's proprietary funds provide the same type of information found in the business-type activities of the government-wide statements but in more detail. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Greenville's business-type activities.

Capital Asset and Debt Administration

Capital Assets: The City of Greenville's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals \$538,113,744 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset events for the City during the year include the following:

- Energy Savings Equipment totaling \$2.1 million
- Emergency Operation Center totaling \$825,930

- Dream Park totaling \$809,841

Utilities Commission major capital asset events included:

- Distribution substations improvements totaling \$716,737
- Electric distribution line improvements and extensions totaling \$3,602,953
- Water main improvements and extensions totaling \$156,310
- Raw water pump station improvements totaling \$501,335
- Continued upgrades to the electrical and SCADA (supervisory control and data acquisition) systems at the Wastewater Treatment Plant of \$105,336
- Construction activities for the Sterling Pointe and Westside wastewater pump stations and force mains totaling \$10,657,593
- Sewer main improvements and extensions totaling \$997,472
- Natural gas main improvements and extensions totaling \$442,452

Additional information on the City's capital assets can be found in the notes of this report. (Note 3, pages 62-64).

City of Greenville's Capital Assets

Figure 4

	Government Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 40,665,813	\$ 40,512,293	\$ 3,501,273	\$ 3,590,672	\$ 44,167,086	\$ 44,102,965
Right-of-way easement	7,295,133	7,230,332	67,815	51,015	7,362,948	7,281,347
Construction in progress	26,160,531	22,730,314	48,103,133	42,580,155	74,263,664	65,310,469
Buildings	56,537,462	56,645,984	125,621,489	110,987,046	182,158,951	167,633,030
Other improvements	8,081,460	7,349,447	-	100,045	8,081,460	7,449,492
Infrastructure	78,071,299	77,831,699	183,681	183,681	78,254,980	78,015,380
Machinery and equipment	19,835,788	19,611,961	7,250,013	7,631,740	27,085,801	27,243,701
Land rights	-	-	509,484	418,444	509,484	418,444
Furniture and office equipment	-	-	10,030,221	9,591,902	10,030,221	9,591,902
Vehicles and equipment	12,594,046	9,826,371	30,350,675	28,512,365	42,944,721	38,338,736
Distribution systems	-	-	400,326,488	393,488,602	400,326,488	393,488,602
Transmission systems	-	-	35,680,899	35,607,602	35,680,899	35,607,602
Subtotal	249,241,532	241,738,401	661,625,171	632,743,269	910,866,703	874,481,670
Accumulated depreciation	(76,666,287)	(70,351,744)	(296,086,672)	(278,994,158)	(372,752,959)	(349,345,902)
Capital assets, net	\$ 172,575,245	\$ 171,386,657	\$ 365,538,499	\$ 353,749,111	\$ 538,113,744	\$ 525,135,768

Long-term Debt: As of June 30, 2013, the City of Greenville had total debt outstanding of \$156,000,606 (excluding compensated absences, Other Post-Employment Benefits (OPEB) and Law Enforcement Officer

(LEO) Separation Allowance). Of this, \$34,923,759 is debt government backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured by fees collected by the enterprise funds.

City of Greenville's Outstanding Debt

General Obligation and Revenue Bonds

Figure 5

	Government Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 11,050,937	\$ 12,012,397	\$ 4,404,062	\$ 4,570,519	\$ 15,454,999	\$ 16,582,916
Certificates of participation	-	9,750,000	-	-	-	9,750,000
Special obligation (revenue) bonds	3,570,000	3,967,944	79,645,700	78,258,516	83,215,700	82,226,460
Installment purchase contracts	20302822	9,016,019	-	-	20,302,822	9,016,019
Other debt (GUC)	-	-	37,027,085	31,586,370	37,027,085	31,586,370
Total revenues	\$ 34,923,759	\$ 34,746,360	\$ 121,076,847	\$ 114,415,405	\$ 156,000,606	\$ 149,161,765

Total net debt (excluding compensated absences, Other Post-Employment Benefits (OPEB) and Law Enforcement Officer (LEO) Separation Allowance) has increased by \$5.65 million (4.6%) during the current fiscal year. The City retired debt totaling \$22.5 million. A portion of this (44%) was retired as a result of the City of Greenville refinancing the Series 2004 Certificates of Participation (COPS) Bonds and the 2009 Installment Agreement. GUC retired \$28.8M in debt but also added \$34.2M in debt resulting in a net decrease of \$5.4M in total GUC debt, when also considering the discounts and premiums totaling \$245,283.

As previously mentioned in the Transmittal letter and the accomplishment section above, as of June 30, 2013, the City maintained strong bond ratings with Standard and Poor's and Moody's, of AA and Aa2, respectively. The City of Greenville is one of a select few cities in eastern North Carolina that maintains this high financial rating from both major rating agencies. This achievement was a primary factor in keeping interest costs low on the City's outstanding debt. The Commission was also able to maintain their "A+" rating from Standard & Poor's with a stable outlook due to their stable service area, consistent operating/capital financial performance, and competitive rates.

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 City of Greenville is approximately \$305M. The City has no authorized but unissued debt as of June 30, 2013. (Note 3, pages 71-83).

Additional information regarding the City of Greenville's long-term debt can be found in the notes section to the financial statements of this report.

Economic Factors and Next Year's Budget and Rates

Budgeting for fiscal year 2014 continued to be a challenge for the City as the recovery from the economic downturn did not manifest as anticipated. The City has grown from a population of 60,476 in 2000 to 87,242, which represents an increase of 44.25%.

When reviewing and evaluating the existing economic condition, the Federal Reserve has indicated that the economy may strengthen slightly as we go into the next year. While it appears that a fragile recovery may be taking hold, it is clear that the City will still have to function with caution going into fiscal year 2014 because forecasting assumptions and methodologies continue to be unreliable. Forecasters can no longer look to historical trends to guide their projections.

The city continues to face challenges posed by the economy, declining State support for city services, and limited revenue enhancements. Amid these and other pressures, expectations are for the City of Greenville to continue to tighten its belt and find ways to deliver services more efficiently and more broadly in different ways and continue to grow. As a result, the budget for fiscal year 2013-2014 includes an increased effort to utilize existing resources to meet current demands. Consistent to prior year, the City Council's decision to maintain the tax rate levy at 52¢ per \$100 assessed valuation impacted significantly the budget development process.

The Utilities Commission's 2013-2014 budget was developed to control costs and position the Utilities Commission for long-term sustainability, while continuing to provide the high level of service expected by its cus-

tomers. Focusing on these fundamentals will provide the foundation for providing safe and reliable services to its customers for the future. No rate increases were budgeted for any of the funds for the 2013-14 fiscal year, however, during the last quarter of fiscal year 2013, an adjustment was approved to the electric base facilities charge for an increase of \$2.00/month for residential customers.

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities: Adopted budget expenditures in the General Fund are expected to increase to \$84,803,595. This amount represents an increase of 13% over the original budget adopted for the prior fiscal year. Moreover, the fiscal year (FY) 2014 original budget includes more than a 21% increase over fiscal year 2013 actuals. There is no denying that although the economy shows some signs of recovery, management had to approach the fiscal year 2014 budget with the same caution as the previous year. Some of the considerations/strategies that were used are as follows:

- There is no change in property tax rate (\$.52 per \$100 valuation)
- The City subsidized approximately \$800,000 for employee increased health benefit costs
- Emphasis on capital investments and infrastructure improvements
- Strategically shifting existing resources to the most urgent priorities

Below is a forecast for major sources of the City's General Fund revenues. The following sources make up approximately 65% of the revenue stream:

Property Taxes

The revenue continues to be the leading revenue source for the City of Greenville, representing 36% of the adopted General Fund budget. Based on last year's collections the City is expecting receipts of \$30.7 million. This estimate is based on revised valuation estimates from Pitt County, which has increased four percent over fiscal year 2013 results. The increase can also be attributed to a new billing system for motor vehicle property taxes which are to be collected by the State of North Carolina beginning September 1, 2013.

Sales Tax

This revenue source is the second leading revenue source for the City and constitutes 17% of total General Fund revenues. Sales Tax is historically difficult to project because it is a State-collected and distributed revenue. Changes in the distribution formula, distribution errors that required repayment, and variations in the timing of refunds and reallocations prevent prior years from being reliable indicators of future year distributions. Management expects fiscal year 2013-2014 sales tax receipts will be within a less than one percent margin from the prior fiscal year.

Powell Bill

This revenue is state distributed and has been impacted by current economic conditions. This distribution is contingent on the volume of fuel sold and on the value of vehicles purchased and titled within the state. The formula for calculating this source involves using per capita, road mileage, and population estimates. The City receives the Powell Bill funds in one payment in October of each year. For the fiscal year 2013 the payment was \$2.2 million, which included

growth of approximately one percent. The City is planning to use additional Powell Bill fund balance of \$750,000 to further advance the funding of road improvements. There are several factors that might adversely impact this revenue such as a significant increase in fuel prices, which will probably reduce the demand for gasoline and the national trend towards motor vehicles with improved fuel efficiency. Powell Bill funds are restricted to transportation improvements.

Appropriated General Fund Balance has increased \$3.2 million over the original 2012-2013 budget plan. The decision to use some of the City's savings to fund one-time capital projects for economic growth and to make additional investment in City infrastructure is a strategic decision aimed at building a better future for the community. This additional fund balance is available, in part, because the City did not transfer unassigned fund balance over the 14% policy after last year as had been common practice during previous years. Approximately \$2.6 million has been appropriated to carry over unspent appropriated funds from fiscal year 2012-2013.

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

Personnel

Salaries and benefits represent 58% of the total General Fund budget. Given the economic climate and the lack of new revenues, various options were considered during the budget preparation and deliberation process as to how to continue to invest in the organization's most valuable resource—the employees—and reduce operating costs. At \$48,989,840 for 2013-2014, personnel expenses are projected to increase by only \$292,619 or less than one percent over

budgeted expenses for fiscal year 2012-2013. There are not merit / cost of living adjustments budgeted for fiscal year 2013-2014; however, the Joint City-GUC Pay and Benefits Committee, recommended covering the amount of health care premium increase that would be incurred by the City employees. The fiscal year 2014 increase is estimated to be 10.9%. This makes up approximately \$800,000. The North Carolina Retirement System increased the contribution rate by .33% and .51% for general and law enforcement employees, respectively, for fiscal year 2013-2014. Additionally, there has been a new payment to the state for unemployment that will increase amounts paid by one percent per employee. This constitutes an additional \$180,000.

Operations

Operational costs are expected to change minimally from prior year budget. There were several changes that had to be made to incorporate the City Council's goals for the year that have become necessary with the growth of the City. Several of these new initiatives range from enhancing efficiencies within the business unit of the City, rewriting policies and procedures to enhancing community programming.

Other Adopted Changes

Operating transfers from the General Fund to other funds increased by \$6,712,853 reflecting the appropriation of fund balance increase for one-time capital to further spur economic development and growth. Below shows projects that are approved for fiscal year 2013-2014.

<u>Project</u>	<u>Amount</u>
Enterprise Resource Planning (ERP) System	\$2.5 million
South Greenville Recreation Project Design	\$200,000
Tar River Study	\$200,000
Dickinson Avenue Land Use Study	\$150,000
Street Improvements	\$4.0 million

Additional capital projects that have been included within the adopted budget include Information Technology projects to meet City Council goals that amount to \$159,500 and \$435,000 for the multi-divisional relocation, which involves improvements to several City facilities.

- enterprise operation
- Annual turnover or transfer of \$6,428,110 to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

Business-type Activities: As previously mentioned, the largest component in the City's business-type activities is held by the Greenville Utilities Commission (GUC). Like organizations nationwide, the Utilities Commission is dealing with increased costs as the country begins to emerge from the economic recession. Rising costs for fuel, energy, supplies, materials, and insurance make it necessary to be judicious with expenditure controls, efficient with staffing and work practices. Budget highlights for fiscal year 2013-2014 are as follows:

- No rate adjustment for any of the enterprise funds (water, electric, gas, or sewer)
- Prefunding of Other Post-Employment Benefits (OPEB) has been increased by \$50,000 to \$350,000
- Investment of \$7.8M for capital outlay in order to maintain system reliability and comply with regulatory requirements in the combined

Activity from the minor Business-type Activities includes the following:

Stormwater Fund Fee Increase

After completing the Pilot Watershed Master Plan and realizing the impact of the 10th Street Connector to City infrastructure, it has become apparent that City needs far exceed City resources. In an effort to minimize the City's exposure to inadequate infrastructure (undersized pipes and/or those exceeding the life span), Public Works recommended an increase in the utility fee to fund debt service on revenue bonds and a shift in maintenance practices. A fee increase of \$0.50/ERU has been adopted for fiscal year 2013-2014 and is recommended annually for the next four years. This increase will allow Public Works to complete Watershed Master Planning throughout the City as well as complete several projects that are of high priority.

Sanitation Services Fee Increase

The approved budget for Sanitation calls for a combination of service delivery modifications and rate increases. This would result in a manageable deficit in fiscal year 2013-2014, and the fund recognizing annual surpluses from fiscal year 2014-2015 through fiscal year 2019-2020. It is anticipated that the cumulative fund balance would be positive beginning in fiscal year 2016-2017. This cumulative fund balance is expected to increase to a reserve of approximately one month (eight percent) of operations by fiscal year 2019-2020. The Sanitation Fund will have a cumulative debt owed to the General Fund of \$966,445, which is projected to begin payback in fiscal year 2014-2015.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be emailed directly to Bernita Demery, the Director of Financial Services at bdemery@greenvillenc.gov.

basic financial statements



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Statement of Net Position

June 30, 2013

Exhibit A

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 46,100,884	\$ 78,588,568	\$ 124,689,452
Taxes receivable, net	978,423	-	978,423
Accounts receivable, net	4,022,996	27,713,379	31,736,375
Interest receivable	1,362	-	1,362
Due from other governments	3,451,233	2,145,617	5,596,850
Inventories	27,843	6,462,769	6,490,612
Prepaid items	248,146	38,333	286,479
Internal balances	(137,759)	137,759	-
Restricted cash and investments	4,734,614	9,464,125	14,198,739
Notes receivable	-	476,486	476,486
Investment in joint venture	17,973,735	-	17,973,735
Capital assets:			
Non-depreciable	74,121,477	51,672,221	125,793,698
Depreciable, net	98,453,768	313,866,278	412,320,046
Total assets	<u>249,976,722</u>	<u>490,565,535</u>	<u>740,542,257</u>
Deferred outflows of resources			
Unamortized bond refunding charges	<u>1,183,981</u>	<u>1,360,672</u>	<u>2,544,653</u>
Total deferred outflows of resources	<u>1,183,981</u>	<u>1,360,672</u>	<u>2,544,653</u>
Liabilities			
Accounts payable and accrued liabilities	6,198,881	19,808,311	26,007,192
Accrued interest payable	52,262	807,654	859,916
Other liabilities	969,078	-	969,078
Advances from grantors	270,782	-	270,782
Prepaid business licenses	178,664	-	178,664
Unearned revenue	-	377,951	377,951
Liabilities payable from restricted assets:			
Customer deposits	-	3,514,426	3,514,426
Long-term liabilities:			
Due within one year	5,384,984	12,384,573	17,769,557
Due in more than one year	50,045,070	122,670,044	172,715,114
Total liabilities	<u>63,099,721</u>	<u>159,562,959</u>	<u>222,662,680</u>
Deferred inflows of resources			
Prepaid taxes	<u>159,321</u>	-	<u>159,321</u>
Total deferred inflows of resources	<u>159,321</u>	-	<u>159,321</u>
Net position			
Net investment in capital assets	140,381,852	251,119,747	391,501,599
Restricted for:			
Stabilization by State Statute	7,589,673	-	7,589,673
Restricted for streets	2,629,260	-	2,629,260
Public safety	559,970	-	559,970
Cultural and recreation	101,259	-	101,259
Unrestricted	36,639,647	81,243,501	117,883,148
Total net position	<u>\$ 187,901,661</u>	<u>\$ 332,363,248</u>	<u>\$ 520,264,909</u>

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

Statement of Activities
For the Year Ended June 30, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 21,602,710	\$ 4,052,536	\$ 247,298	\$ -
Public safety	29,711,884	4,359,786	786,486	152,232
Transportation	7,593,094	189,900	-	2,702,854
Cultural and recreational	3,688,000	1,119,628	935,861	-
Economic and physical development	14,501,140	19,017	2,553,133	1,120,293
Interest and fees	826,340	-	-	-
Total governmental activities	77,923,168	9,740,867	4,522,778	3,975,379
Business-type activities:				
Electric	192,057,666	197,679,760	-	-
Water	15,856,698	16,321,133	-	-
Sewer	16,837,578	18,257,097	-	-
Gas	26,188,583	31,819,878	-	-
Public transportation	2,499,439	358,686	889,979	531,244
Bradford Creek Golf Course	-	-	-	261,228
Stormwater utility	2,903,761	3,117,169	-	400,000
Sanitation fund	6,791,739	6,630,456	-	20,287
Total business-type activities	263,135,464	274,184,179	889,979	1,212,759
Total primary government	\$ 341,058,632	\$ 283,925,046	\$ 5,412,757	\$ 5,188,138

General revenues

- Ad valorem taxes
- Sales and use taxes
- Cable TV franchise tax
- Medicaid hold harmless payment
- Rental vehicle , gross receipts
- Utilities franchise tax
- Beer and wine tax
- Other taxes & licenses
- Investment earnings

Total general revenues

Transfers

Total general revenues and transfers

- Change in net position
- Net position, beginning of year - July 1
- Restatement
- Beginning of year - restated
- Net position, end of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (17,302,876)	\$ -	\$ (17,302,876)
(24,413,380)	-	(24,413,380)
(4,700,340)	-	(4,700,340)
(1,632,511)	-	(1,632,511)
(10,808,697)	-	(10,808,697)
(826,340)	-	(826,340)
<u>(59,684,144)</u>	<u>-</u>	<u>(59,684,144)</u>
-	5,622,094	5,622,094
-	464,435	464,435
-	1,419,519	1,419,519
-	5,631,295	5,631,295
-	(719,530)	(719,530)
-	261,228	261,228
-	613,408	613,408
-	<u>(140,996)</u>	<u>(140,996)</u>
-	<u>13,151,453</u>	<u>13,151,453</u>
<u>\$ (59,684,144)</u>	<u>\$ 13,151,453</u>	<u>\$ (46,532,691)</u>
\$ 30,445,847	\$ -	\$ 30,445,847
11,893,015	-	11,893,015
919,187	-	919,187
2,779,426	-	2,779,426
118,679	-	118,679
5,441,125	-	5,441,125
343,423	-	343,423
901,139	-	901,139
69,350	227,528	296,878
<u>52,911,191</u>	<u>227,528</u>	<u>53,138,719</u>
4,907,563	(4,907,563)	-
<u>57,818,754</u>	<u>(4,680,035)</u>	<u>53,138,719</u>
(1,865,390)	8,471,418	6,606,028
171,793,316	323,891,830	495,685,146
17,973,735	-	17,973,735
<u>189,767,051</u>	<u>323,891,830</u>	<u>513,658,881</u>
<u>\$ 187,901,661</u>	<u>\$ 332,363,248</u>	<u>\$ 520,264,909</u>

Balance Sheet - Governmental Funds

June 30, 2013

Exhibit C

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 26,766,190	\$ 9,725,301	\$ 36,491,491
Taxes receivable, net	978,423	-	978,423
Accounts receivable, net	2,842,427	1,051,178	3,893,605
Interest receivable	-	1,362	1,362
Due from other funds	1,835,603	-	1,835,603
Due from other governments	2,939,309	144,836	3,084,145
Inventories	27,844	-	27,844
Prepaid items	47,716	49,470	97,186
Restricted cash and investments	3,188,229	1,546,385	4,734,614
Total assets	\$ 38,625,741	\$ 12,518,532	\$ 51,144,273
Liabilities			
Accounts payable and accrued liabilities	\$ 3,203,462	\$ 1,012,477	\$ 4,215,939
Due to other funds	196,474	1,231,413	1,427,887
Advances from grantors	-	270,782	270,782
Prepaid business licenses	178,664	-	178,664
Other liabilities	969,078	-	969,078
Total liabilities	4,547,678	2,514,672	7,062,350
Deferred inflows of resources			
Property taxes receivable	978,423	-	978,423
Prepaid property taxes	159,321	-	159,321
Loans receivable	-	685,324	685,324
Other receivables	1,873,110	-	1,873,110
Total deferred inflows of resources	3,010,854	685,324	3,696,178
Fund balances			
Nonspendable:			
Prepaid items and inventories	75,560	49,470	125,030
Restricted:			
Stabilization by State Statute	7,077,621	512,052	7,589,673
Restricted for general government	-	488,636	488,636
Restricted for streets	2,629,260	-	2,629,260
Restricted public safety	559,970	-	559,970
Restricted for economic development	-	1,057,749	1,057,749
Restricted for culture and recreation	-	101,259	101,259
Committed:			
Committed for catastrophic losses	2,276,781	-	2,276,781
Committed for culture and recreation	-	706,312	706,312
Committed for public safety	-	296,130	296,130
Committed for economic development	-	3,781,567	3,781,567
Committed for capital outlays	-	2,019,768	2,019,768
Committed for debt service	-	942,821	942,821
Assigned:			
Assigned for subsequent years expenditures	7,047,025	83,847	7,130,872
Assigned for culture and recreation	-	460,429	460,429
Unassigned	11,400,992	(1,181,504)	10,219,488
Total fund balance	31,067,209	9,318,536	40,385,745
Total liabilities, deferred inflows of resources and fund balance	\$ 38,625,741	\$ 12,518,532	\$ 51,144,273

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

**Reconciliation of the Government Funds Balance Sheet to the
Statement of Net Assets - Governmental Activities
June 30, 2013**

**Exhibit C
(Continued)**

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

Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	\$ 172,575,245
Investment in joint venture asset reported in governmental activities are not reported in the funds.	17,973,735
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.	3,536,857
Assets and liabilities of the Internal Service Fund used by management to account for health, vehicle and fleet maintenance costs are included in governmental activities in the Statement of Net Position.	7,728,415
Long-term liabilities, compensated absences, unfunded other postemployment benefits, and unfunded pension obligation are not due and payable in the current period and therefore, are not reported in the funds.	(55,430,055)
Deferred charges on refunding reported in governmental activities are not reported in the funds.	1,183,981
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(52,262)</u>
Net position of governmental activities	<u>\$ 187,901,661</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2013

Exhibit D

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	\$ 30,275,886	\$ -	\$ 30,275,886
Other taxes	15,710,307	809,044	16,519,351
Unrestricted intergovernmental	5,876,643	-	5,876,643
Restricted intergovernmental	3,561,410	4,416,947	7,978,357
Licenses, permits and fees	2,456,928	-	2,456,928
Sales and services	5,484,350	-	5,484,350
Investment earnings	62,362	6,988	69,350
Other revenues	795,594	519,800	1,315,394
Total revenues	<u>64,223,480</u>	<u>5,752,779</u>	<u>69,976,259</u>
Expenditures			
Current:			
General government	9,134,933	2,102,736	11,237,669
Public safety	34,745,321	1,331,622	36,076,943
Public works	8,360,722	-	8,360,722
Cultural and recreational	1,633,906	2,487,441	4,121,347
Economic and physical development	7,111,553	4,518,607	11,630,160
Capital outlay	3,785,652	-	3,785,652
Reimbursement of indirect cost	(1,014,572)	-	(1,014,572)
Contribution to OPEB Trust	300,000	-	300,000
Debt Service:			
Principal retirement	-	12,613,973	12,613,973
Interest and fees	-	2,010,321	2,010,321
Total expenditures	<u>64,057,515</u>	<u>25,064,700</u>	<u>89,122,215</u>
Revenues over (under) expenditures	<u>165,965</u>	<u>(19,311,921)</u>	<u>(19,145,956)</u>
Other financing sources (uses)			
Payments to escrow agents	-	(9,750,000)	(9,750,000)
Transfers from other funds	5,908,396	6,218,148	12,126,544
Transfers to other funds	(7,349,834)	(416,029)	(7,765,863)
Long term debt issued	-	2,591,372	2,591,372
Refunding debt issued	-	19,950,000	19,950,000
Total other financing sources (uses)	<u>(1,441,438)</u>	<u>18,593,491</u>	<u>17,152,053</u>
Net change in fund balance	<u>(1,275,473)</u>	<u>(718,430)</u>	<u>(1,993,903)</u>
Fund balance			
Fund balance, beginning of year - July 1	31,964,967	10,036,966	42,001,933
Prior period adjustment	377,715	-	377,715
Fund balance, beginning of year- as restated	<u>32,342,682</u>	<u>10,036,966</u>	<u>42,379,648</u>
Fund balance, end of year - June 30	<u>\$ 31,067,209</u>	<u>\$ 9,318,536</u>	<u>\$ 40,385,745</u>

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

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statements of Activities
For the Year Ended June 30, 2013**

Exhibit E

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	\$ (1,993,903)
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.	5,849,263
Asset transfers from business-type activities reported in the Statement of Activities are not reported in the governmental fund statement.	78,978
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(6,840,179)
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.	(5,497)
Expenses related to other postemployment benefits, compensated absences and law enforcement officer's separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(2,655,896)
Proceeds from issuance of long-term debt are reported as revenues in the governmental fund statement. However, in the statement of activities, it is not a revenue, rather it is an increase in liabilities.	(22,541,372)
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.	(103,473)
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.	22,363,973
Deferred charges on refunding reported in governmental activities are not reported in the funds.	1,183,981
The internal service fund is used by management to charge the costs of health, vehicle and fleet maintenance. The net revenue of the internal service funds are determined to be governmental-type.	<u>2,798,735</u>
Changes in net position of governmental activities	<u>\$ (1,865,390)</u>

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

General Fund - Budget and Actual
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Exhibit F

	General Fund			
	Budget		Actual Amounts	Variance Over/Under
	Original	Final		
Revenues				
Ad valorem taxes	\$ 30,192,968	\$ 30,192,968	\$ 30,275,886	\$ 82,918
Other taxes	15,704,760	15,704,760	15,710,307	5,547
Unrestricted intergovernmental	5,910,166	5,910,166	5,876,643	(33,523)
Restricted intergovernmental	3,318,977	3,982,457	3,561,410	(421,047)
Licenses, permits and fees	2,679,825	2,679,825	2,456,928	(222,897)
Sales and services	5,359,671	5,366,062	5,484,350	118,288
Investment earnings	1,768,922	1,768,922	62,362	(1,706,560)
Other revenues	1,368,319	1,368,319	795,594	(572,725)
Total revenues	<u>66,303,608</u>	<u>66,973,479</u>	<u>64,223,480</u>	<u>(2,749,999)</u>
Expenditures				
Current:				
General government	9,900,100	10,270,665	9,134,933	1,135,732
Public safety	35,881,308	36,042,185	34,745,321	1,296,864
Public works	9,664,128	9,866,825	8,360,722	1,506,103
Economic development	1,698,394	1,808,855	1,633,906	174,949
Cultural and recreational	7,244,788	7,361,861	7,111,553	250,308
Capital outlay	5,262,203	6,588,403	3,785,652	2,802,751
Reimbursement of indirect cost	(1,014,572)	(1,014,572)	(1,014,572)	-
Contribution to OPEB Trust	300,000	300,000	300,000	-
Total expenditures	<u>68,936,349</u>	<u>71,224,222</u>	<u>64,057,515</u>	<u>7,166,707</u>
Revenues over (under) expenditures	<u>(2,632,741)</u>	<u>(4,250,743)</u>	<u>165,965</u>	<u>4,416,708</u>
Other financing sources (uses)				
Transfers from other funds	6,018,195	6,399,427	5,908,396	(491,031)
Transfers to other funds	(5,693,381)	(7,218,335)	(7,349,834)	(131,499)
Contingency	(181,871)	(257,819)	-	257,819
Appropriated fund balance	2,489,798	5,327,470	-	(5,327,470)
Total other financing sources (uses)	<u>2,632,741</u>	<u>4,250,743</u>	<u>(1,441,438)</u>	<u>(5,692,181)</u>
Net change in fund balance	\$ -	\$ -	(1,275,473)	\$ (1,275,473)
Fund balance				
Fund balance, beginning of year - July 1			31,964,967	
Prior period adjustment			377,715	
Fund balance, beginning of year- as restated			<u>32,342,682</u>	
Fund balance, end of year - June 30			<u>\$ 31,067,209</u>	

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

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Statement of Fund Net Position

Proprietary Funds

June 30, 2013

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 39,935,226	\$ 3,539,015	\$ 5,245,399	\$ 26,401,541
Accounts receivable, net	21,330,435	1,737,184	1,899,025	1,765,279
Notes receivable, net				
Due from other governments	1,208,202	120,427	731,421	57,514
Due from other funds	196,474	-	-	-
Inventories	5,241,519	598,374	124,178	498,698
Prepaid items	21,610	6,012	5,774	4,587
Total current assets	<u>67,933,466</u>	<u>6,001,012</u>	<u>8,005,797</u>	<u>28,727,619</u>
Noncurrent assets				
Cash and cash equivalents, restricted	1,476,755	2,839,618	2,110,780	536,972
Investments	1,191,614	173,495	230,968	903,923
Notes receivable	-	476,486	-	-
Land improvements and construction in progress	7,653,490	9,534,913	25,500,590	1,704,075
Other capital assets, net	83,735,425	84,034,079	117,164,648	27,463,963
Total noncurrent assets	<u>94,057,284</u>	<u>97,058,591</u>	<u>145,006,986</u>	<u>30,608,933</u>
Total assets	<u>161,990,750</u>	<u>103,059,603</u>	<u>153,012,783</u>	<u>59,336,552</u>
Deferred outflows of resources				
Unamortized bond refunding charges	394,752	484,945	239,439	241,536
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	16,444,023	552,270	1,200,502	1,295,765
Accrued interest payable	166,351	287,047	287,984	66,272
Due to other funds	281,032	-	-	-
Unearned revenue	-	157,931	220,020	-
Current portion of compensated absences	652,818	256,389	289,158	224,994
Current maturities of long-term debt	2,663,883	2,829,610	3,964,299	1,137,342
Liabilities payable from restricted assets:				
Customer deposits	2,678,225	494,065	1,125	341,011
Total current liabilities	<u>22,886,332</u>	<u>4,577,312</u>	<u>5,963,088</u>	<u>3,065,384</u>
Noncurrent liabilities				
Compensated absences payable	112,331	128,477	95,340	83,084
Noncurrent portion of other postemployment benefits	4,700,352	2,044,027	1,689,068	1,526,248
Noncurrent portion of long-term debt	20,567,975	29,601,357	48,412,388	7,495,931
Total noncurrent liabilities	<u>25,380,658</u>	<u>31,773,861</u>	<u>50,196,796</u>	<u>9,105,263</u>
Total liabilities	<u>48,266,990</u>	<u>36,351,173</u>	<u>56,159,884</u>	<u>12,170,647</u>
Net position				
Net investment in capital assets	70,028,564	63,652,212	91,782,444	21,313,273
Unrestricted	44,089,948	3,541,163	5,309,894	26,094,168
Total net position	<u>\$ 114,118,512</u>	<u>\$ 67,193,375</u>	<u>\$ 97,092,338</u>	<u>\$ 47,407,441</u>

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

Exhibit G

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,467,387	\$ 78,588,568	\$ 9,609,393
981,456	27,713,379	129,391
28,053	2,145,617	367,088
222,317	418,791	-
-	6,462,769	-
350	38,333	150,960
<u>4,699,563</u>	<u>115,367,457</u>	<u>10,256,832</u>
-	6,964,125	-
-	2,500,000	-
-	476,486	-
7,279,153	51,672,221	-
<u>1,468,163</u>	<u>313,866,278</u>	<u>9,452,698</u>
<u>8,747,316</u>	<u>375,479,110</u>	<u>9,452,698</u>
<u>13,446,879</u>	<u>490,846,567</u>	<u>19,709,530</u>
-	<u>1,360,672</u>	-
315,751	19,808,311	1,982,942
-	807,654	-
-	281,032	545,475
-	377,951	-
169,541	1,592,900	-
196,539	10,791,673	-
-	3,514,426	-
<u>681,831</u>	<u>37,173,947</u>	<u>2,528,417</u>
72,662	491,894	-
1,933,281	11,892,976	-
<u>4,207,523</u>	<u>110,285,174</u>	-
<u>6,213,466</u>	<u>122,670,044</u>	-
<u>6,895,297</u>	<u>159,843,991</u>	<u>2,528,417</u>
4,343,254	251,119,747	9,452,698
<u>2,208,328</u>	<u>81,243,501</u>	<u>7,728,415</u>
<u>\$ 6,551,582</u>	<u>\$ 332,363,248</u>	<u>\$ 17,181,113</u>

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2013

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Revenues				
Charges for services	\$ 195,341,808	\$ 15,793,743	\$ 17,487,780	\$ 31,648,679
Other operating revenues	504,564	90,114	90,648	87,753
Total operating revenues	<u>195,846,372</u>	<u>15,883,857</u>	<u>17,578,428</u>	<u>31,736,432</u>
Expenditures				
Administrative and general	7,620,912	2,768,934	2,766,380	2,759,426
Operations and maintenance	13,586,768	7,917,640	8,018,518	4,393,427
Purchased power and gas	162,173,347	-	-	16,967,248
Depreciation and amortization	7,361,238	3,750,841	4,758,787	1,694,506
Claims and payments to third party administrators	-	-	-	-
Total operating expenses	<u>190,742,265</u>	<u>14,437,415</u>	<u>15,543,685</u>	<u>25,814,607</u>
Operating income (loss)	<u>5,104,107</u>	<u>1,446,442</u>	<u>2,034,743</u>	<u>5,921,825</u>
Non-operating revenues (expenses)				
Investment earnings	106,792	39,462	16,956	63,175
Other non-operating revenues	1,833,388	437,276	678,669	83,446
Other non-operating expenses	(311,435)	-	-	-
Interest expense	(1,003,966)	(1,419,283)	(1,293,893)	(373,976)
Total non-operating revenue (expenses)	<u>624,779</u>	<u>(942,545)</u>	<u>(598,268)</u>	<u>(227,355)</u>
Income (loss) before transfers and contributions	5,728,886	503,897	1,436,475	5,694,470
Transfers in (out) and capital contributions				
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(4,586,608)	-	-	(1,146,868)
Total transfers in (out) and capital contributions	<u>(4,586,608)</u>	<u>-</u>	<u>-</u>	<u>(1,146,868)</u>
Change in net position	<u>1,142,278</u>	<u>503,897</u>	<u>1,436,475</u>	<u>4,547,602</u>
Net position				
Beginning of year - July 1	112,976,234	66,689,478	95,655,863	42,859,839
Prior period adjustment	-	-	-	-
Beginning of year - restated	<u>112,976,234</u>	<u>66,689,478</u>	<u>95,655,863</u>	<u>42,859,839</u>
End of year - June 30	<u>\$ 114,118,512</u>	<u>\$ 67,193,375</u>	<u>\$ 97,092,338</u>	<u>\$ 47,407,441</u>

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

Exhibit H

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 9,914,117	\$ 270,186,127	\$ 18,459,393
192,194	965,273	533,295
<u>10,106,311</u>	<u>271,151,400</u>	<u>18,992,688</u>
40,288	15,955,940	551,792
11,538,824	45,455,177	4,164,387
-	179,140,595	-
448,825	18,014,197	695,554
-	-	11,250,124
<u>12,027,937</u>	<u>258,565,909</u>	<u>16,661,857</u>
<u>(1,921,626)</u>	<u>12,585,491</u>	<u>2,330,831</u>
1,143	227,528	-
-	3,032,779	-
-	(311,435)	-
<u>(167,002)</u>	<u>(4,258,120)</u>	<u>-</u>
<u>(165,859)</u>	<u>(1,309,248)</u>	<u>-</u>
<u>(2,087,485)</u>	<u>11,276,243</u>	<u>2,330,831</u>
2,102,738	2,102,738	-
1,009,811	1,009,811	642,904
<u>(183,898)</u>	<u>(5,917,374)</u>	<u>(175,000)</u>
<u>2,928,651</u>	<u>(2,804,825)</u>	<u>467,904</u>
<u>841,166</u>	<u>8,471,418</u>	<u>2,798,735</u>
5,710,416	323,891,830	14,810,172
-	-	(427,794)
<u>5,710,416</u>	<u>323,891,830</u>	<u>14,382,378</u>
<u>\$ 6,551,582</u>	<u>\$ 332,363,248</u>	<u>\$ 17,181,113</u>

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2013

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Cash flows from operating activities				
Cash received from customers	\$ 195,015,496	\$ 15,864,683	\$ 17,352,988	\$ 31,634,501
Other operating receipts	1,764,783	175,628	(382,101)	38,812
Cash paid to vendors	(173,317,566)	(6,531,580)	(6,560,117)	(20,220,259)
Cash paid to employees	(9,935,594)	(4,465,636)	(4,605,931)	(3,646,646)
Payments received on loans	-	28,862	-	-
Net cash provided (used) by operating activities	<u>13,527,119</u>	<u>5,071,957</u>	<u>5,804,839</u>	<u>7,806,408</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	-
Transfers to other funds	(4,645,427)	-	-	(1,146,868)
Advances to/from other funds	-	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(4,645,427)</u>	<u>-</u>	<u>-</u>	<u>(1,146,868)</u>
Capital and related financing activities				
Activities:				
Acquisition and construction of capital assets	(9,966,474)	(2,890,523)	(13,289,448)	(2,548,243)
Capital grants/cash capital contributions	-	-	123,272	-
Capital related receipts from customers	-	222,329	484,439	-
Proceeds from issuance of long-term debt	7,411,955	3,440,654	20,596,606	2,754,140
Redemption premium on refunded bonds	(183,999)	(4,060)	(63,919)	(74,438)
Repayment of principal of long-term debt	(8,433,608)	(4,682,532)	(12,153,245)	(3,544,414)
Interest and other debt related expenses	(945,907)	(1,201,432)	(1,548,800)	(332,530)
Net cash provided (used) by capital and related financing activities	<u>(12,118,033)</u>	<u>(5,115,564)</u>	<u>(5,851,095)</u>	<u>(3,745,485)</u>
Cash flow from investing activities				
Proceeds from sale and maturity of investments	4,349,357	477,142	591,054	2,082,447
Interest received on investments	115,653	40,439	18,168	67,457
Net cash provided (used) by investing activities	<u>4,465,010</u>	<u>517,581</u>	<u>609,222</u>	<u>2,149,904</u>
Net increase (decrease) in cash and cash equivalents/investments	1,228,669	473,974	562,966	5,063,959
Cash and cash equivalents/investments				
Beginning of year - July 1	40,183,312	5,904,659	6,793,213	21,874,554
End of year - June 30	<u>\$ 41,411,981</u>	<u>\$ 6,378,633</u>	<u>\$ 7,356,179</u>	<u>\$ 26,938,513</u>

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

Exhibit I
Page 1 of 2

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 9,979,504	\$ 269,847,172	\$ 18,699,698
-	1,597,122	-
(5,506,420)	(212,135,942)	(15,737,836)
(6,501,706)	(29,155,513)	(1,170,480)
-	28,862	-
<u>(2,028,622)</u>	<u>30,181,701</u>	<u>1,791,382</u>
1,009,811	1,009,811	642,904
(104,920)	(5,897,215)	(175,000)
<u>(525,012)</u>	<u>(525,012)</u>	<u>226,713</u>
<u>379,879</u>	<u>(5,412,416)</u>	<u>694,617</u>
(1,211,961)	(29,906,649)	(2,796,080)
2,102,738	2,226,010	-
-	706,768	-
-	34,203,355	-
-	(326,416)	-
(166,457)	(28,980,256)	-
<u>(167,002)</u>	<u>(4,195,671)</u>	<u>-</u>
<u>557,318</u>	<u>(26,272,859)</u>	<u>(2,796,080)</u>
-	7,500,000	-
1,143	242,860	-
<u>1,143</u>	<u>7,742,860</u>	<u>-</u>
(1,090,282)	6,239,286	(310,081)
4,557,669	79,313,407	9,919,474
<u>\$ 3,467,387</u>	<u>\$ 85,552,693</u>	<u>\$ 9,609,393</u>

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2013

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 5,104,107	\$ 1,446,442	\$ 2,034,743	\$ 5,921,825
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,361,238	3,750,841	4,758,787	1,694,506
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(637,318)	7,063	(73,948)	(118,792)
(Increase) decrease in notes receivable	-	28,862	-	-
(Increase) decrease in due from other governments	(263,938)	(55,101)	(582,910)	(40,273)
Change in due to/from other funds	(549,502)	-	-	-
(Increase) decrease in inventories	330,888	27,279	(20,923)	11,559
(Increase) decrease in prepaids	25,850	(5,522)	7,553	(3,608)
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in accounts payable	111,938	(526,667)	(565,047)	76,378
Increase (decrease) in customer deposits	77,044	22,415	350	12,500
Increase (decrease) in compensated absences payable	23,527	26,975	23,304	25,503
Increase (decrease) in OPEB liability	421,334	167,292	173,964	143,364
Increase (decrease) in unearned revenue	-	(32,870)	(145,263)	-
Miscellaneous income (expense)	1,521,951	214,948	194,229	83,446
Net cash provided by (used in) operating activities	<u>\$ 13,527,119</u>	<u>\$ 5,071,957</u>	<u>\$ 5,804,839</u>	<u>\$ 7,806,408</u>
Other disclosures				
Interest incurred	\$ 916,559	\$ 1,241,257	\$ 1,552,249	\$ 317,364
Interest paid	945,907	1,201,432	1,548,800	332,530
Interest capitalized	-	17,479	322,916	-
Non-cash investing, capital, and financing activities				
Capital contribution -transfer out accrued compensated absences	-	-	-	-
Capital contribution -transfer out OPEB liability	-	-	-	-
Transfer out of capital assets to governmental activities	-	-	-	-
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit I
Page 2 of 2

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ (1,921,626)	\$ 12,585,491	\$ 2,330,831
448,825	18,014,197	695,554
(125,487)	(948,482)	(283,136)
-	28,862	-
-	(942,222)	-
-	(549,502)	-
14,197	363,000	144,273
326	24,599	(150,778)
(1,320)	(1,320)	(9,854)
(374,794)	(1,278,192)	(935,508)
-	112,309	-
(26,655)	72,654	-
(42,088)	863,866	-
-	(178,133)	-
-	2,014,574	-
<u>\$ (2,028,622)</u>	<u>\$ 30,181,701</u>	<u>\$ 1,791,382</u>
\$ -	\$ 4,027,429	\$ -
-	4,028,669	-
-	340,395	-
32,644	32,644	-
228,584	228,584	-
(78,978)	(78,978)	-
<u>\$ 182,250</u>	<u>\$ 182,250</u>	<u>\$ -</u>

Statement of Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2013

Exhibit J

	<u>OPEB Trust Fund</u>
Assets	
Restricted cash and cash equivalents	\$ 1,703,533
Net position	
Assets held in trust for OPEB benefits	<u>\$ 1,703,533</u>

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

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2013

Exhibit K

	<u>OPEB Trust Fund</u>
Additions	
Employer contributions	\$ 1,163,577
Investment income:	
Net appreciation (depreciation) in fair value of investments	<u>172,934</u>
Total additions	<u>1,336,511</u>
Deductions	
Benefits	1,324,770
Administrative expense	<u>3,065</u>
Total deductions	<u>1,327,835</u>
 Change in net position	 <u>8,676</u>
 Net position, beginning of year - July 1	 <u>1,694,857</u>
Net position, end of year - June 30	<u>\$ 1,703,533</u>

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

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notes to financial statements



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Note 1. Summary of Significant Accounting Policies and Reporting Entity

Summary of significant accounting policies: The City of Greenville, North Carolina ("City") is located in the coastal plains area of the State and has a population of 87,242. 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, North Carolina, conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

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.

Basis of Presentation

Government-wide statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the City's funds, including a fiduciary fund. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, parks and recreation, and general government services.

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following non-major funds, by type:

Non-major Enterprise Funds - The non-major enterprise funds are used to account for the operation of providing various City services to residents. The City maintains four non-major enterprise funds: Public Transportation, Bradford Creek Golf Course, Stormwater Utility, and Sanitation. The Bradford Creek Golf Course fund was transferred to the General Fund in 2013. The relating financial statements have been presented solely to account for the closing transfer.

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 12 special revenue funds: the Community Development Fund, Sheppard Memorial Library Fund, Housing Trust Fund, Small Business Loan Fund, League of Municipalities Conference Fund, Lead Based Paint Hazard Grant Fund, CDBG Recovery Grant Project Fund, Byrne-JAG Grant Recovery Fund, Energy Efficiency Recovery Grant Fund, COPS Hiring Recovery Grant Fund, Centralized Grant Fund, and Hurricane Irene FEMA Grant fund.

Capital Projects Funds - The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). As of June 30, 2013, the City has twenty-one capital project funds that were open during the fiscal year, covering various construction projects: Cemetery Development, Affordable Housing Project, West Greenville Revitalization, Center City Revitalization, Stantonsburg Road/10th Street Connector, South Tar River Greenway, Way Finding Community Development, Thomas Langston Road Extension Project, Intermodal Transportation Center Project, Employee Parking Lot Expansion Project, Convention Center Expansion Project, Community Oriented Policing Service Project, Technology for Public Safety Project, Emergency Operations Center Project, Drew Steele Center, Capital Reserve Fund, King George Bridget Project, Green Mill Greenway Project, Dream Park Capital Project, Energy Savings Equipment Project, and Downtown Parking Deck.

Debt Service Fund - The Debt Service Fund accounts for the payment of the City's debt obligations, excluding Greenville Utility Commission's ("Commission") debt. The Commission's debt is paid from their respective funds.

Internal Service Funds - The 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 three internal service funds: the Health Insurance Fund, the Vehicle Replacement Fund and the Fleet Maintenance Fund.

OPEB Trust Fund - The City maintains the North Carolina OPEB Trust Fund. This fund is used to track all contributions to the State managed Other Post Employment Benefits Trust Fund. Funds are placed in the irrevocable trust for retiree health benefit costs.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide, proprietary, and fiduciary fund financial statements: The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 60 days after year-end. Ad valorem taxes receivable that are not collected within 60 days after year-end are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource except as noted above to finance the operations of the current year. Also, as of January 1, 1993, 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, Pitt County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Greenville. For registered motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Pitt County from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period 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. 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 are 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.

Budgetary procedures and budgetary accounting: The City Manager and departments of the City of Greenville prepare the annual budget for city operations on a biennial basis. As required by the North Carolina Budget and Fiscal Control Act, the City Council adopts an annual budget ordinance for all governmental and proprietary fund types except funds authorized by project ordinance. All annual appropriations lapse at the fiscal year-end. All capital project funds except the capital reserve fund and all special revenue funds, except Sheppard Memorial Library are budgeted under project ordinances spanning more than one fiscal year. The City's three 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 budget ordinances are prepared on the modified accrual basis of accounting as required by the Act. The budget ordinance must be accepted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Budgeting control is exercised over aggregated funds at the departmental level for governmental funds, and for all other funds the budget is adopted at the fund level. All amendments must be approved by the City Council. Individual amendments were not material in relation to the original appropriations.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates embodied in these financial statements are estimated lives of capital assets, other post-employment benefit plan liabilities, incurred but not reported health insurance liabilities, and allowance for uncollectible accounts.

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

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 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 investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT-Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are also valued at fair value.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

General Statute 147-69.4 allows the City to establish an OPEB Trust Fund managed by the staff of the Department of the State Treasurer and G.S. 159-30(g) allows the City to make contributions to the Fund. The State Treasurer, in her discretion, may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are held in the State Treasurer's Short Term Investment Fund ("STIF"). Allowable STIF investments are detailed in G.S. 147.69.1. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147.69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

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 enterprise funds are essentially demand deposits and are considered cash and cash equivalents. Certain certificates of deposit for the Commission, which have a maturity of over one year, do not qualify as cash equivalents. The amount of unspent Capacity Fee revenue is shown as a restricted asset for the Commission because its use is completely restricted to capacity related capital investment and/or debt service on capacity related capital financing.

Restricted assets: The City issues general obligation and revenue bonds for capital projects. The amount of unexpended bond proceeds and installment debt is shown as restricted assets because the use of the proceeds is completely restricted to the purpose for which the bonds and debt were originally issued. Revenue bond proceeds are placed with a trustee for safekeeping and dispersion as needed. Customer deposits held by the City or Commission before any services are supplied are restricted to the service for which the deposit was collected. Certain unexpended grant revenues are classified as restricted assets since their use is restricted for the purpose of the grant. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Ad valorem taxes receivable: For the fund financial statements, ad valorem taxes receivable are not accrued as revenue, except for collections received in the first 60 days after year-end because they are not considered to be both "measurable and available." The amount of the receivable is reduced by an allowance for doubtful accounts equal to the percent of the original levy, which has normally been written off based upon past experience. An amount equal to the net receivable, less amounts collected in the first 60 days after year-end is shown as deferred inflow of resources.

In accordance with State law (GS 105-347 and G.S. 159-13(a)), the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2012. 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.

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.

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 enterprise fund customer receivables. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. All other receivables are generally collectible and any doubtful accounts are considered immaterial.

Inventories and prepaid items: Inventories consist of major items held for consumption by the governmental funds and for all Enterprise Fund 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.

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 charges to expense as incurred. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated tangible capital assets are recorded at estimated fair market value at the date of donation. 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. All assets are depreciated using a method which approximates the straight-line method. Interest expense is capitalized on business-type construction in progress to the extent that it exceeds income.

The estimated useful lives are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land and other improvements	10 years
Buildings	30 - 33 years
Equipment	3 - 20 years
Distribution systems	20 - 50 years
Infrastructure	50 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Plant and structures	30 years
Buses	10 years
Furniture, fixtures, machinery and equipment	5 - 8 years

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City only has one item that qualifies for reporting in this category – deferred charge on refunding reported in the government-wide statement of net position. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has only five items that meet the criterion for this category - prepaid taxes, property taxes receivable, prepaid business licenses, loans receivable, and other receivables.

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.

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.

Net Position/Fund Balances

Net position: Net position in government-wide and proprietary fund financial statements are 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:

Nonspendable 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.

Restricted fund balance: This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law. The City's Restricted fund balance consists of the following:

Restricted for Stabilization by State statute: portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)].

Restricted for general government: portion of fund balance that is restricted by revenue source for energy savings equipment expenditures. The revenue source is unexpended debt proceeds in the Energy Savings Equipment Capital Project Fund.

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 construction expenses. The revenue sources include unexpended bond proceeds in the Center City Revitalization Capital Project Fund.

Restricted for culture and recreation: portion of fund balance that is restricted for the benefit of third parties and held for specific purposes in the Sheppard Memorial Library permanent fund.

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 Cultural and Recreational: portion of fund balance that is committed by City Council for cultural and recreation construction expenses in various Special Revenue and Capital Project funds.

Committed for Public Safety: portion of fund balance that is committed by 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 City Council for economic development construction and activities in various Special Revenue and Capital Project funds.

Committed for capital outlays: portion of fund balance committed by the City Council for the construction of specific assets held in the Capital Reserve Fund. Specific Council action is required to transfer funds out of this fund.

Committed for debt service: portion of fund balance committed by the City Council to pay for future debt expenditures accounted for in the City's Debt Service Fund. Specific Council action is required to transfer funds out of this fund.

Assigned fund balance: This classification represents the portion of fund balance that the City of Greenville intends to use for specific purposes. The City's Assigned fund balance consists of the following:

Assigned for subsequent year's expenditures: portion of total fund balance that is appropriated in the next year's budget that is not classified as restricted or committed. The governing body approves the appropriation, however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriations in certain circumstances.

Assigned for culture and recreation: portion of total fund balance that has been budgeted by Council for library operations.

Unassigned fund balance: This classification represents the portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

The City has revenue spending guidelines 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, assigned and lastly, unassigned fund balances. The Finance Officer may deviate from this order if it is in the best interest of the City.

The City of Greenville has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the City in such a manner that unassigned fund balance remain at least 14% of the total annual operating budget. The City Council may, from time-to-time, appropriate unassigned fund balances that will reduce unassigned fund balances below the 14% threshold for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Greenville. In such circumstances, the City Council will adopt a plan to restore the unassigned fund balance to or above the threshold within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the City Council will establish a different, but appropriate time period.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$	31,067,209
Less:		
Inventories		27,844
Prepaid items		47,716
Stabilization by State statute		7,077,621
Total available fund balance	\$	23,914,028

The City of Greenville has \$1,333,392 of outstanding encumbrances in the General Fund as of June 30, 2013, which represents amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Note 2. Stewardship, Compliance, and Accountability

Deficit in fund balance or net position of individual funds: The following individual funds had a deficit fund balance or net position at June 30, 2013:

<u>Non-major Special Revenue Funds</u>		<u>Management Plan to Address Deficit</u>
League of Municipalities Conference	\$ (7,664)	Close project, reimburse by transfer
CDBG Recovery Grant Project	(288)	Close project, reimburse by transfer
COPS Hiring Recovery Program Grant	(12,388)	Reimbursement from grant
Hurricane Irene FEMA Grant	(175,657)	Reimbursement from grant
 <u>Non-major Capital Projects</u>		
Thomas Langston Road Extension Project	(196,128)	Reimbursement by grant
Community Oriented Policing Service Project	(262,968)	Reimbursement by grant
Emergency Operations Center	(307,046)	Reimbursement by grant
 <u>Non-major Enterprise Funds</u>		
Sanitation Fund	(838,610)	Future charges by customers
 <u>Internal Service Funds</u>		
Fleet Maintenance Fund	(170,717)	Future charges based on adequate system capture of costs

Note 3. Detailed Notes on All Funds

Assets

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, 2013, the City's deposits had a carrying amount of \$21,274,085 and a bank balance of \$22,156,059. Of the bank balance, \$2,687,407 was covered by federal depository insurance and the remaining \$19,468,652 was covered by collateral held under the pooling method. The City's cash on hand at June 30, 2013 consisted of various petty cash funds totaling \$8,070.

At June 30, 2013, the Utilities Commission's deposits had a carrying amount of \$79,568,329 and a bank balance of \$79,997,415. Of the bank balance, \$1,233,104 was covered by Federal depository insurance, and \$78,764,311 was covered by collateral held under the pooling method.

Investments

At June 30, 2013, the investments and related maturities of the City were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>< 6 Months</u>	<u>6 - 12 Months</u>	<u>1 - 3 Years</u>	<u>3+ Years</u>
NC Capital Management					
Trust - Cash Portfolio	\$ 7,744,538	\$ 7,744,538	\$ -	\$ -	\$ -
US Treasury Notes	6,226,312	-	-	-	6,226,312
Government Agency - FHLB	2,792,958	-	-	1,184,046	1,608,912
Government Agency - FHLMC	7,570,985	-	-	3,030,131	4,540,854
Government Agency - FNMA	8,685,937	-	2,048,663	3,707,727	2,929,547
Total Investments	<u>\$ 33,020,730</u>	<u>\$ 7,744,538</u>	<u>\$ 2,048,663</u>	<u>\$ 7,921,904</u>	<u>\$ 15,305,625</u>

At June 30, 2013, the Utilities Commission had \$4,916,882 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's and \$100,095 invested with the North Carolina Capital Management Trust's Term Portfolio which is not rated.

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 as a means of managing its exposure to fair value losses arising from rising interest rates. The policy states investments shall be limited to maturities not exceeding five years from the settlement date.

Credit risk: The City's investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The policy expressly prohibits investment of stripped instruments ("Derivative Security") and repurchase agreements. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The investment in US Treasury Notes are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The investment in Federal Home Loan Mortgage Corporation are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in Federal National Mortgage Association are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The City's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2013.

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.

Concentration of credit risk: The City's and Commission's investment policies limit 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 five percent of the City's investments are as follows:

<u>Issuer</u>	<u>Amount</u>	<u>% of Investment</u>
US Treasury Notes	\$ 6,226,312	19%
Federal Home Loan Bank	2,792,958	8%
Federal Home Loan Mortgage Corporation	7,570,985	23%
Federal National Mortgage Association	8,685,937	26%

Concentration of credit risk ("Commission"): The Commission's investment policy limits the amount of the total portfolio that can be invested in any one type of investment to the following percentages: US Treasuries - 100%; US Agencies - 100%; NC Capital Management Trust - 100%; Certificates of Deposit - 70%; Banker's Acceptances - 45%; Commercial Paper - 50%; NC and Local Government Securities with AAA rating or better - 20%. In addition, the Commission's investment policy limits the total amount that can be invested any one agency, institution, or entity.

OPEB Trust Fund (City excluding the Commission): At June 30, 2013, the City's OPEB Trust Fund had \$1,703,533 invested in the State Treasurer's Local Government Other Post-Employment Benefits ("OPEB") Fund pursuant to G.S. 159-30.1. The State Treasurer's OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Fund was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 23.58%; State Treasurer's Long Term Investment Fund (LTIF) 10.81% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 65.61% (the equities were split with 75% in domestic securities and 25% in international securities).

Interest rate risk: The City does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund ("STIF") is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The State Treasurer's Long Term Investment Fund ("LTIF") is unrated and had a weighted average maturity of 15.9 years at June 30, 2013.

Credit risk: The City does not have a formal investment policy regarding credit risk for the OPEB Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

Receivables - Allowances for Doubtful Accounts

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

<u>Governmental Activities</u>	<u>Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Taxes receivable	\$ 1,816,751	\$ 838,328	\$ 978,423
Accounts Receivable:			
Rescue fees receivable	3,205,360	1,784,037	1,421,323
Lot cutting fees receivable	538,229	-	538,229
Parking violations receivable	331,401	-	331,401
Interest receivable	1,362	-	1,362
Other receivable	2,206,070	474,027	1,732,043
Due from other governments	3,451,233	-	3,451,233
Total governmental activities	\$ 11,550,406	\$ 3,096,392	\$ 8,454,014
Business-type Activities:			
Greenville Utilities Commission	\$ 37,936,968	\$ 9,087,481	\$ 28,849,487
Other nonmajor enterprise	1,847,904	838,395	1,009,509
Total business-type activities	\$ 39,784,872	\$ 9,925,876	\$ 29,858,996

Capital Assets

Primary government: Capital asset activity for the Primary Government for the year ended June 30, 2013, was as follows:

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 40,512,293	\$ 193,803	\$ (40,283)	\$ -	\$ 40,665,813
Right-of-way easements	7,230,332	129,601	(64,800)	-	7,295,133
Construction in progress	<u>22,730,314</u>	<u>3,995,320</u>	<u>(565,103)</u>	-	<u>26,160,531</u>
Total capital assets not being depreciated	<u>70,472,939</u>	<u>4,318,724</u>	<u>(670,186)</u>	-	<u>74,121,477</u>
Capital Assets Being Depreciated:					
Buildings	56,645,983	-	(108,521)	-	56,537,462
Improvements	7,349,447	647,000	(15,032)	100,045	8,081,460
Infrastructure	77,831,699	264,935	(42,600)	17,265	78,071,299
Machinery and equipment	<u>19,611,961</u>	<u>1,288,790</u>	<u>(1,326,547)</u>	<u>261,584</u>	<u>19,835,788</u>
Total capital assets being depreciated	<u>161,439,090</u>	<u>2,200,725</u>	<u>(1,492,700)</u>	<u>378,894</u>	<u>162,526,009</u>
Less Accumulated Depreciation For:					
Buildings	(23,424,692)	(2,162,943)	108,521	-	(25,479,114)
Improvements	(4,760,125)	(580,519)	15,032	(40,332)	(5,365,944)
Infrastructure	(18,264,091)	(1,669,042)	42,600	-	(19,890,533)
Machinery and equipment	(21,428,636)	(2,427,675)	1,326,547	(259,584)	(22,789,348)
Total accumulated depreciation	<u>(67,877,544)</u>	<u>(6,840,179)</u>	<u>1,492,700</u>	<u>(299,916)</u>	<u>(73,524,939)</u>
Total capital assets being depreciated, net	<u>93,561,546</u>				<u>89,001,070</u>
Governmental activity capital asset, net	<u>\$ 164,034,485</u>				<u>\$ 163,122,547</u>
Internal Service Fund:					
(Reported in Governmental Activities)					
Vehicles	\$ 9,826,372	\$ 2,796,080	\$ (28,406)	\$ -	\$ 12,594,046
Less: accumulated depreciation	<u>(2,474,200)</u>	<u>(695,554)</u>	<u>28,406</u>	-	<u>(3,141,348)</u>
Capital assets, net	<u>\$ 7,352,172</u>	<u>\$ 2,100,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,452,698</u>

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

General government	\$ 963,524
Public safety	1,671,148
Cultural and recreational	2,491,353
Transportation related to infrastructure	345,029
Infrastructure	<u>1,369,125</u>
Total	<u>\$ 6,840,179</u>
General government - Internal Service Fund	<u>\$ 695,554</u>

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 July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Business-type Activities					
Capital Assets Not Being Depreciated:					
Construction in progress	\$ 6,170,286	\$ 1,126,132	\$ -	\$ (17,265)	\$ 7,279,153
Total capital assets not being depreciated	<u>6,170,286</u>	<u>1,126,132</u>	<u>-</u>	<u>(17,265)</u>	<u>7,279,153</u>
Capital Assets Being Depreciated:					
Improvements other than buildings	100,045	-	-	(100,045)	-
Machinery and equipment	7,631,740	85,828	(205,971)	(261,584)	7,250,013
Infrastructure	183,681	-	-	-	183,681
Total capital assets being depreciated	<u>7,915,466</u>	<u>85,828</u>	<u>(205,971)</u>	<u>(361,629)</u>	<u>7,433,694</u>
Less Accumulated Depreciation For:					
Improvements other than buildings	(40,332)	-	-	40,332	-
Machinery and equipment	(5,979,036)	(445,600)	205,971	259,584	(5,959,081)
Infrastructure	(3,225)	(3,225)	-	-	(6,450)
Total accumulated depreciation	<u>(6,022,593)</u>	<u>(448,825)</u>	<u>205,971</u>	<u>299,916</u>	<u>(5,965,531)</u>
Total capital assets being depreciated, net	<u>1,892,873</u>				<u>1,468,163</u>
Business-type activity capital assets, net	<u>\$ 8,063,159</u>				<u>\$ 8,747,316</u>

Capital asset activity for the Commission for the year ended June 30, 2013, was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Business-type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 3,590,672	\$ -	\$ -	\$ (89,399)	\$ 3,501,273
Easements	51,015	18,441	-	(1,641)	67,815
Construction in progress	36,409,869	19,412,283	-	(14,998,172)	40,823,980
Total capital assets not being depreciated	<u>40,051,556</u>	<u>19,430,724</u>	<u>-</u>	<u>(15,089,212)</u>	<u>44,393,068</u>
Capital Assets Being Depreciated:					
Land improvements	418,444	-	-	91,040	509,484
Buildings	110,987,056	463,278	-	14,171,155	125,621,489
Furniture and office equipment	2,631,462	340,139	-	-	2,971,601
Computer software	6,960,440	98,180	-	-	7,058,620
Vehicles and equipment	28,512,365	2,258,840	(420,530)	-	30,350,675
Distribution systems	393,488,602	6,024,814	-	813,072	400,326,488
Transmission systems	35,607,602	73,297	-	-	35,680,899
Total capital assets being depreciated	<u>578,605,971</u>	<u>9,258,548</u>	<u>(420,530)</u>	<u>15,075,267</u>	<u>602,519,256</u>
Less Accumulated Depreciation For:					
Land improvements	418,444	-	-	-	418,444
Buildings	48,433,715	3,795,336	-	-	52,229,051
Furniture and office equipment	2,286,403	195,287	-	-	2,481,690
Computer software	5,700,277	491,952	-	-	6,192,229
Vehicles and equipment	18,389,477	2,076,558	(415,806)	-	20,050,229
Distribution systems	179,531,010	9,884,207	-	-	189,415,217
Transmission systems	18,212,249	1,122,032	-	-	19,334,281
Total accumulated depreciation	<u>272,971,575</u>	<u>17,565,372</u>	<u>(415,806)</u>	<u>-</u>	<u>290,121,141</u>
Total capital assets being depreciated, net	<u>305,634,396</u>				<u>312,398,115</u>
Net capital assets	<u>\$ 345,685,952</u>				<u>\$ 356,791,183</u>

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2013 totaled \$7,361,238, \$3,750,841, \$4,758,787, and \$1,694,506, respectively.

Construction Commitments (Commission)

The Utilities Commission has active construction projects as of June 30, 2013. At year-end, the Utilities Commission’s commitments with contractors are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Business-type activities				
Electric	\$ 15,408,021	\$ 1,015,219	\$ 20,782	\$ 16,444,022
Water	68,210	483,139	921	552,270
Sewer	987,990	210,800	1,711	1,200,501
Gas	1,061,538	233,939	288	1,295,765
Total	<u>\$ 17,525,759</u>	<u>\$ 1,943,097</u>	<u>\$ 23,702</u>	<u>\$ 19,492,558</u>

Liabilities

Accounts Payable and Accrued Liabilities

Payables at the government-wide level at June 30, 2013, were as follows:

<u>Type of payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Trade payables	\$ 4,767,397	\$ 16,458,177
Accrued salaries and fringes	1,461,869	3,297,872
Other accrued expenses	938,693	859,916
Total	<u>\$ 7,167,959</u>	<u>\$ 20,615,965</u>

Pension Plan Obligations

Local Government Employees’ Retirement System

Plan description: The City of Greenville and the Commission contribute to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees’ Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding policy: Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74 percent and 7.22 percent, respectively, of annual covered payroll. The contribution requirements of members and of the City of Greenville are established and may be amended by the North Carolina General Assembly. The City’s contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$1,831,779, \$1,919,382 and \$1,714,287, respectively. The Utilities Commission’s contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,772,873, \$1,568,583 and \$1,511,899, respectively. The contributions made by the City and the Commission equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan description: The City of Greenville administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2012 the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to, but not yet receiving, benefits	20
Active plan members	187
Total	207

A separate report is not issued for the plan.

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.

Method used to value investments: No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

Contributions: The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) five percent investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of three percent. The assumptions did not include post-retirement benefit increases. The UAAL is being amortized as a level percentage of projected payroll on an closed basis. The remaining amortization period at December 31, 2012, was 19 years.

Annual pension cost and net pension obligation. The City's annual pension costs and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 511,717
Interest on net pension obligation	96,152
Adjustment to annual required contribution	(119,674)
Annual cost pension	488,195
Employer contributions made for fiscal year ending June 30, 2013	323,099
Increase (decrease) in net pension obligation	165,096
Net pension obligation:	
Beginning of year - July 1	1,923,050
End of year - June 30	\$ 2,088,146

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	APC Contributed	Net Pension Obligation
2011	\$ 515,767	59.74%	\$ 1,731,615
2012	474,450	59.65%	1,923,050
2013	488,195	66.18%	2,088,146

Funded status and funding progress: As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the Unfunded Actuarial Accrued Liability ("UAAL") was \$4,945,095. The covered payroll (annual payroll of active employees covered by the plan) was \$10,000,760, and the ratio of the UAAL to the covered payroll was 49.45%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan description: The City contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (“CAFR”) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding policy: Article 12E of G.S., Chapter 143, requires the City to contribute, each month, an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were \$1,011,360 which consisted of \$701,455 from the City and \$309,681 from the law enforcement officers.

Firemen and Rescue Squad Workers’ Pension Fund

Plan Description: The State of North Carolina contributes, on behalf of the City of Greenville, to the Firemen and Rescue Squad Workers’ Pension Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S., Chapter 58, assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen’s and Rescue Squad Workers’ Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Firemen and Rescue Squad Workers’ Pension Fund. 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: Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

Post-Employment Benefits

Deferred compensation plan: The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the plan is at the option of the employee.

Investments are managed by the plan’s trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

Plan description: The City administers a single-employer defined benefit plan for post retirement health care 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 Government Employees’ Retirement System and upon meeting the criteria established by the City, employees with a minimum of 5 continuous years of service with the City are eligible to continue insurance coverage. Health care and prescription drugs are provided in the City’s retiree health care plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The City obtains post-65 health care and life insurance coverage through a private insurer and is self-funding the health insurance coverage for pre-65 retirees up to \$200,000 per person per year. The City Council may amend the benefit provisions. A separate report is not issued for the plan.

Membership of the Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	168	-
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	<u>578</u>	<u>185</u>
Total	<u><u>746</u></u>	<u><u>185</u></u>

Funding policy: The City's obligation to contribute to the post retirement benefit plan is established and may be amended by the City Council. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute five percent of the estimated cost for pre-65 health care 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 health care coverage for the retiree. Retirees who elect to have dependent health care 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 Commission 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 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	50%	65%
25+	75%	90%

For members that retire, the City pays the percentage of medical costs, as described in the previous section, under a City resolution that can be amended by the City Council. The City's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage.

The current ARC is 9.21 percent of annual covered payroll. For the current year, the City contributed \$1,163,577 or 3.11 percent of annual covered payroll. Per a City resolution, the City is required to contribute an increase of \$50,000 each year to a maximum of \$500,000 for all future years and \$250 stipend for post-65 coverage with tiered structure for pre-65 coverage. The City is self-insured up to certain limits and purchases re-insurance for additional coverage from a private carrier. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 8.01 percent and 8.01 percent of covered payroll, respectively. Contributions by employees for the fiscal year ended June 30, 2013 were \$620,835 and included dependent coverage. The City's obligation to contribute to the Plan is established and may be amended by the City Council.

Summary of Significant Accounting Policies: The Plan's financial statements are prepared using the accrual basis of accounting. Plan members contributions are recognized in the period in which the contributions are due which is when the related benefit payments are made and discretionary pre-funded amounts are recognized when contributed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City participates in the State Treasurer's Local Government Other Post-Employment Benefits ("OPEB") Fund pursuant to G.S. 147-69.4, and under a City resolution, the City provides contributions to the State OPEB Plan. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the State OPEB Fund are financed through investment earnings. The City's participation in the State OPEB Fund is reported as the OPEB Trust Fiduciary Fund in the City's financial statements.

Annual OPEB cost and net OPEB obligation: The City's annual Other Post-Employment Benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the post-employment healthcare benefits:

Annual required contribution	\$ 3,449,243
Interest on net OPEB obligation	621,698
Adjustments to annual required contribution	<u>(490,428)</u>
Annual OPEB cost (expense)	3,580,513
Contributions made	<u>1,163,577</u>
Increase (decrease) in net OPEB obligation	2,416,936
Net OPEB obligation, beginning of year - July 1	<u>15,015,637</u>
Net OPEB obligation, end of year - June 30	<u><u>\$ 17,432,573</u></u>
The net OPEB obligation is allocated as follows	
Governmental activities	\$ 15,499,292
Nonmajor Enterprise Funds:	
Public Transportation Fund	313,952
Stormwater Utility Fund	512,237
Sanitation Fund	<u>1,107,092</u>
Total	<u><u>\$ 17,432,573</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

Three-Year Trend Information

Year Ended June 30	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 3,653,244	28.69%	\$ 12,433,962
2012	3,580,513	27.90%	15,015,637
2013	3,580,513	32.50%	17,432,573

Funded status and funding progress: As of December 31, 2011, the most recent actuarial valuation date, the plan was 3.5 percent funded. The actuarial accrued liability for benefits was \$32,964,864 and the actuarial value of assets was \$1,137,911, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$31,826,953. The covered payroll (annual payroll of active employees covered by the plan) was \$37,453,447, and the ratio of the UAAL to the covered payroll was 85%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a seven percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.5 to 5.0 percent annually. Both rates included a three percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an closed basis. The remaining amortization period at December 31, 2011 was 30 years.

Other Post-employment benefits - Healthcare Benefits Plan (“Commission”)

Plan Description: The Utilities Commission administers a single-employer defined benefit plan for post retirement health care 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 Government Employees’ Retirement System and upon meeting the criteria established by the Utilities Commission, employees with a minimum of five continuous years of service with the Utilities Commission if hired before July 1, 2011 or with a minimum of 20 continuous years of service with the Utilities Commission if hired on or after July 1, 2011 are eligible to continue insurance coverage. Health care and prescription drugs are provided in the Utilities Commission’s retiree health care plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The Utilities Commission obtains post-65 health care coverage and life insurance coverage through a private insurer and self-funds the health care coverage for pre-65 retirees up to \$200,000 per person per year. A separate report was not issued for the plan.

Membership of the post retirement benefit plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	138
Active plan members	427
Total	565

Funding Policy: The Utilities Commission’s obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute five percent of the estimated cost for pre-65 health care 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 health care coverage for the retiree. Retirees who elect to have dependent health care 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 Utilities 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 Utilities 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	50%	65%
25+	75%	95%

The current annual required contribution rate (ARC) is 7.35 percent of annual covered payroll. For fiscal year 2013, the Utilities Commission contributed \$1,000,888, or 4.2 percent of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2013 were \$196,502 and included dependent coverage and a portion of member coverage. The Utilities Commission is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to pre-funded benefits as determined annually by the Board.

Summary of Significant Accounting Policies: The Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the plan are financed through investment earnings.

Annual OPEB Cost and Net OPEB Obligation: The Utilities Commission’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Utilities Commission’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Utilities Commission’s net OPEB obligation for the post-retirement benefits:

Annual required contribution	\$ 1,769,981
Interest on net OPEB obligation	633,762
Adjustment to annual required contribution	<u>(496,901)</u>
Annual OPEB cost (expense)	1,906,842
Contributions made	<u>(1,000,888)</u>
Increase (decrease) in net OPEB obligation	905,954
Net OPEB obligation, beginning of year	<u>9,053,741</u>
Net OPEB obligation, end of year	<u>\$ 9,959,695</u>

The Utilities Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2011, 2012 and 2013 were as follows:

Year Ended June 30	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 2,345,621	56.395%	\$ 7,756,885
2012	2,437,811	46.802%	9,053,741
2013	1,906,842	52.489%	9,959,695

Funded Status and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the plan was partially funded. The actuarial accrued liability for benefits and, thus, the Unfunded Actuarial Accrued Liability (UAAL) was \$20,365,228. The covered payroll (annual payroll of active employees covered by the plan) was \$23,730,460, and the ratio of the UAAL to the covered payroll was 85.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) seven percent investment rate of return, which included an inflation component of three percent and (b) a 8.5 percent - 5.0 percent medical cost trend rate with 2018 the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 29 years.

The financial statements for the Commission’s Other Post-employment Benefits Trust Fund included in the Fiduciary Funds in the basic financial statements at June 30, 2013.

Other Employment Benefits

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees’ Retirement System (“Death Benefit Plan”), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee’s 12 highest month’s salary in a row during the 24 months prior to the employee’s death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year-end is comprised of the following:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Property taxes receivable (General Fund)	\$ 978,423	\$ -
Prepaid property taxes (General Fund)	-	159,321
Loans receivable (Nonmajor Governmental Funds)	685,324	-
Other receivables (General Fund)	1,873,110	-
Total	<u>\$ 3,536,857</u>	<u>\$ 159,321</u>

Long-Term Obligations

Changes in long-term debt: The following is a summary of changes in the long-term obligations of the City for the year ended June 30, 2013:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Current Portion</u>
Governmental Activities:					
General obligation bonds	\$ 12,012,397	\$ -	\$ (961,460)	\$ 11,050,937	\$ 828,461
Certificates of participation	9,750,000	-	(9,750,000)	-	-
Special obligation revenue bonds	3,967,944	-	(397,944)	3,570,000	405,000
Installment purchase contracts	9,016,019	22,541,372	(11,254,569)	20,302,822	2,108,323
LEO separation allowance	1,923,050	165,096	-	2,088,146	-
OPEB accrued liability	13,040,268	2,459,024	-	15,499,292	-
Compensated absences	2,887,081	2,224,573	(2,192,797)	2,918,857	2,043,200
Total	<u>\$ 52,596,759</u>	<u>\$ 27,390,065</u>	<u>\$ (24,556,770)</u>	<u>\$ 55,430,054</u>	<u>\$ 5,384,984</u>
Business-Type Activities:					
Managed by the City:					
General obligation bonds	\$ 4,570,519	\$ -	\$ (166,457)	\$ 4,404,062	\$ 196,539
OPEB accrued liability	1,975,369	-	(42,088)	1,933,281	-
Compensated absences	268,858	127,645	(154,300)	242,203	169,541
Total	<u>\$ 6,814,746</u>	<u>\$ 127,645</u>	<u>\$ (362,845)</u>	<u>\$ 6,579,546</u>	<u>\$ 366,080</u>
Managed by the Commission:					
Revenue bonds	\$ 78,258,516	\$ 19,647,700	\$ (18,260,516)	\$ 79,645,700	\$ 7,509,301
Other types of debt	32,027,308	14,555,655	(10,553,283)	36,029,680	3,085,833
Discounts and premiums	752,122	-	245,283	997,405	-
OPEB	9,053,741	905,954	-	9,959,695	-
Compensated absences	1,743,281	1,461,377	(1,362,067)	1,842,591	1,423,359
Total	<u>121,834,968</u>	<u>36,570,686</u>	<u>(29,930,583)</u>	<u>128,475,071</u>	<u>12,018,493</u>
Total business-type activities	<u>\$ 128,649,714</u>	<u>\$ 36,698,331</u>	<u>\$ (30,293,428)</u>	<u>\$ 135,054,617</u>	<u>\$ 12,384,573</u>

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

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20 year serial bonds with equal amounts of principal maturing each year. The City has also issued revenue bonds and pledges the income derived from the acquired or constructed assets to pay debt service.

<u>General Fund Obligation Bonds</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Serviced by the City:		
1998 Public Improvement, Series 1998, \$3,525,000 original issue, due in semi-annual installments of \$100,000 to \$300,000 through 2017, plus interest from 4.3 to 4.5%	\$ 1,025,000	\$ -
2003 Public Improvement, Series 2003, \$1,250,000 original issue, due in annual installments of \$65,000 to \$70,000 through 2021, plus interest from 3.0 to 4.5%.	550,000	-
2006 Public Improvement, Series 2006, \$12,715,000 original issue, due in annual installments of \$135,000 to \$540,000 through 2031, plus interest from 4.125 to 5.0%.	6,580,937	4,404,062
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%.	<u>2,895,000</u>	<u>-</u>
Total General Obligation Bonds	<u>\$ 11,050,937</u>	<u>\$ 4,404,062</u>

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

Year Ended June 30	Governmental Funds			Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 828,461	\$ 428,828	\$ 1,257,289	\$ 196,539	\$ 187,166	\$ 383,705
2015	828,461	394,835	1,223,296	196,539	177,339	373,878
2016	825,467	360,682	1,186,149	194,534	167,562	362,096
2017	783,214	327,059	1,110,273	286,787	155,529	442,316
2018	727,087	296,775	1,023,862	332,913	141,493	474,406
2019 - 2023	3,620,188	1,054,895	4,675,083	1,754,813	492,710	2,247,523
2024 - 2028	2,958,060	357,223	3,315,283	1,441,937	122,737	1,564,674
2029 - 2031	480,000	28,800	508,800	-	-	-
Total	<u>\$ 11,050,938</u>	<u>\$ 3,249,097</u>	<u>\$ 14,300,035</u>	<u>\$ 4,404,062</u>	<u>\$ 1,444,536</u>	<u>\$ 5,848,598</u>

Special Obligation Revenue Bonds: A summary of the City's special obligation revenue bonds is as follows:

2011 Refunding Special Obligation Revenue Bonds, \$4,290,000 original issue, due in annual installments of \$325,000 to \$490,000 through 2021, plus interest at 2.89%	<u>\$ 3,570,000</u>
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Annual debt service requirements to maturity for the City's special obligation revenue bonds are as follows:

Year Ended June 30	Governmental Funds		
	Principal	Interest	Total
2014	\$ 405,000	\$ 97,321	\$ 502,321
2015	420,000	85,400	505,400
2016	425,000	73,189	498,189
2017	440,000	60,690	500,690
2018	450,000	47,830	497,830
2019 - 2021	1,430,000	62,712	1,492,712
Total	<u>\$ 3,570,000</u>	<u>\$ 427,142</u>	<u>\$ 3,997,142</u>

The City has pledged net occupancy tax revenues and other replacement revenues to repay these revenue bonds, of which \$3,570,000 is currently outstanding. Proceeds from the bonds refinanced the previous 2001 Series bonds for which the 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 2021. Annual principal and interest payments on the debt are expected to require four percent of gross Occupancy Tax. The total principal and interest remaining to be paid on the bonds is \$3,997,142. Principal and interest paid for the current year refunded bonds, debt service revenues from occupancy tax, and total occupancy tax were \$509,588, \$1,075,771 and \$1,613,657, respectively.

Installment purchase contracts: On October 11, 2012, the City issued \$19,950,000 installment debt to refund the 2009 Installment Financing Agreement and the Series 2004 Certificate of Participation. The 2009 Installment debt was eligible for full pre-payment, resulting in 2013 principal payments of \$9,016,019 and interest and issuance cost of \$267,595. The City placed the \$9,750,000 proceeds in an irrevocable trust to provide for all future debt service payments on the old Series 2004 Certificate of Participation, as well as \$916,386 for future interest. As a result, the refunded Certificate of Participation is considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. On June 30, 2013, \$8,935,000 Certificate of Participation outstanding is considered defeased. The reacquisition price exceeded the net carrying amount of the old debt by \$101,550. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 13 years by \$1,700,000 and resulted in an economic gain of \$225,336.

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

<u>Governmental Activities:</u>	<u>Governmental Funds</u>
2012 Installment Purchase Contract, \$19,950,000 original issue, due in semi-annual installments of \$500,000 to \$1,040,000 through 2025, plus interest at 1.59%.	\$ 17,680,000
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%.	<u>2,622,822</u>
Total Installment Purchase Contract	<u>\$ 20,302,822</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Governmental Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,108,323	\$ 320,080	\$ 2,428,403
2015	2,164,434	285,388	2,449,822
2016	2,131,384	250,395	2,381,779
2017	2,038,582	216,504	2,255,086
2018	1,991,035	183,548	2,174,583
2019 - 2023	7,571,486	494,144	8,065,630
2024 - 2028	2,175,936	91,404	2,267,340
2029	121,642	1,105	122,747
Total	<u>\$ 20,302,822</u>	<u>\$ 1,842,568</u>	<u>\$ 22,145,390</u>

Debt Serviced by the Electric Fund

Revenue Bonds

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Electric Fund. The Utilities 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 \$20,896,760 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 17% of net revenues, or less than two percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,138,337. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,307,579, \$12,886,679 and \$198,300,601, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,840,154, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25 to 6.0%, final payment will be made on September 1, 2016.	\$ 1,281,324
Series 2005 Revenue Bonds with an original issue amount of \$2,607,909, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	1,887,474
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,084,583, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2018.	754,466
Series 2008A Refunding Revenue Bonds with an original issue amount of \$605,347, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2020.	458,238
Series 2008A Revenue Bonds with an original issue amount of \$3,903,762, due in annual installments with varying interest rates from 4.0 to 5.0%, final payment will be made on November 1, 2033.	3,903,762
Series 2008B Taxable Revenue Bonds with an original issue amount of \$4,130,000, due in annual installments with varying interest rates from 5.3 to 5.78%, final payment will be made on November 1, 2018.	2,745,000
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,902,210, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	3,506,847
Series 2013 Refunding Revenue Bonds with an original issue amount of \$283,932, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	257,302
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,182,959, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027.	<u>6,102,347</u>
	<u>\$ 20,896,760</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,798,978	\$ 712,361	\$ 2,511,339
2015	1,868,062	644,304	2,512,366
2016	1,926,492	571,821	2,498,313
2017	1,998,344	494,807	2,493,151
2018	1,699,088	423,946	2,123,034
2019 - 2023	6,243,073	1,401,284	7,644,357
2024 - 2028	3,468,745	709,231	4,177,976
2029 - 2033	1,539,091	274,951	1,814,042
2034	354,887	8,872	363,759
Total	<u>\$ 20,896,760</u>	<u>\$ 5,241,577</u>	<u>\$ 26,138,337</u>

Other Types of Debt

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Electric Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$514,460 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015.	\$ 213,173
Series 2011 installment purchase contract with an original loan amount of \$848,231 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	518,071
Series 2012 installment purchase contract with an original loan amount of \$834,344 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015.	559,923
Series 2013 installment purchase contract with an original loan amount of \$945,064 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	<u>945,064</u>
	<u>\$ 2,236,231</u>

Annual debt service requirements to maturity for the Utilities Commission's Electric Fund installment purchase contracts are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 864,905	\$ 31,576	\$ 896,481
2015	877,440	19,041	896,481
2016	493,886	6,297	500,183
Total	<u>\$ 2,236,231</u>	<u>\$ 56,914</u>	<u>\$ 2,293,145</u>

Take or Pay Contract: The Utilities Commission has a long-term take or pay all requirements contract with the North Carolina Eastern Municipal Power Agency (NCEMPA) for the delivery of wholesale electric power. NCEMPA is a joint agency formed by 32 municipal entities, including the Utilities Commission, which has ownership interests in two coal-fired and three nuclear-fueled generation plants (initial project). The Utilities Commission, through its agreement with NCEMPA, has the right to 16.13% of initial project output and is obligated to pay its relative share of operating costs and debt service for the initial project. The Utilities Commission is obligated to pay its share of the operating costs and debt service regardless of the ability of NCEMPA to provide electricity or to meet the Utilities Commission's need for electricity. This contract constitutes an obligation of the Electric Enterprise Fund to make payments from operating revenues. The Electric Enterprise Fund's share of this obligation is not recorded as a liability on the accompanying basic financial statements; however, it is included as a component of its power supply expenses. The Utilities Commission's share of initial project's debt obligations at June 30, 2013 was approximately \$327 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 Utilities Commission's financial statements.

Debt Serviced by Water Fund

Revenue Bonds

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Water Fund. The Utilities 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 \$25,102,261 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 59% of net revenues, or less than 21% of total revenues. The total principal and interest remaining to be paid on the bonds is \$33,347,236. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,353,944, \$5,364,574 and \$16,228,072, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,538,624, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25 to 6.0%, final payment will be made on September 1, 2016.	\$ 694,144
Series 2005 Revenue Bonds with an original issue amount of \$1,356,029, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	981,426
Series 2008A Refunding Revenue Bonds with an original issue amount of \$2,378,250, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2018.	1,654,377
Series 2008A Refunding Revenue Bonds with an original issue amount of \$11,924,563, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2020.	9,026,762
Series 2008A Revenue Bonds with an original issue amount of \$10,641,133, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2033.	9,641,136
Series 2010 Refunding Revenue Bonds with an original issue amount of \$1,695,666, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	1,523,865
Series 2013 Refunding Revenue Bonds with an original issue amount of \$141,966, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	128,651
Series 2013 Refunding Revenue Bonds with an original issue amount of \$696,400, issued to refund the 2.55% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2015.	459,600
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,204,100, issued to refund the 2.87% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	992,300
	<u>\$ 25,102,261</u>

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,320,429	\$ 1,038,120	\$ 3,358,549
2015	2,392,151	957,217	3,349,368
2016	2,236,867	869,547	3,106,414
2017	2,327,560	774,015	3,101,575
2018	2,230,679	671,347	2,902,026
2019 - 2023	7,129,942	2,102,003	9,231,945
2024 - 2028	2,685,074	1,239,364	3,924,438
2029 - 2033	3,068,878	575,595	3,644,473
2034	710,681	17,767	728,448
Total	<u>\$ 25,102,261</u>	<u>\$ 8,244,975</u>	<u>\$ 33,347,236</u>

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 SWDA. The states are required to provide 20% matching funds. To fund drinking water capital projects that protect public health, the State of North Carolina makes loans at one-half of the market rate for a period of up to 20 years. The Utilities Commission's drinking water loans outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
2.205% Drinking Water State Revolving Fund loan issued in 2004 to finance an inter-basin transfer analysis and the construction of a major water main, \$,014,597 authorized and \$3,884,913 drawn to date, due in annual installments of \$194,246 with a final payment on May 1, 2030.	\$ 3,302,176
2.50% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$460,425 authorized and \$460,425 drawn to date, due in annual installments of \$23,021 with a final payment on May 1, 2033.	460,425
2.50% Drinking Water State Revolving Fund loan issued in 2010 to finance the construction of a new water main, \$300,055 authorized and \$269,492 drawn to date, due in annual installments of \$13,475 with a final payment of May 1, 2030.	229,068
2.01% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$1,442,000 authorized and \$1,156,160 drawn to date, due in annual installments of \$57,808 with a final payment on May 1, 2033.	1,156,160
	<u>\$ 5,147,829</u>

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 288,550	\$ 161,543	\$ 450,093
2015	288,550	106,932	395,482
2016	288,550	100,574	389,124
2017	288,550	94,217	382,767
2018	288,550	87,859	376,409
2019 - 2023	1,442,746	343,935	1,786,681
2024 - 2028	1,442,746	184,998	1,627,744
2029 - 2033	819,587	39,922	859,509
Total	<u>\$ 5,147,829</u>	<u>\$ 1,119,980</u>	<u>\$ 6,267,809</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 Utilities Commission's ARRA loans outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
ARRA loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$2,942,152 authorized and \$2,942,152 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$73,554 with a final payment on May 1, 2030.	\$ 1,250,415
ARRA loan issued in 2009 to partially finance improvements to a water storage tank, \$48,982 authorized and \$4,782 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.	<u>20,151</u>
	<u>\$ 1,270,566</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 74,673	\$ -	\$ 74,673
2015	74,673	-	74,673
2016	74,673	-	74,673
2017	74,673	-	74,673
2018	74,673	-	74,673
2019 - 2023	373,367	-	373,367
2024 - 2028	373,367	-	373,367
2029 - 2031	150,467	-	150,467
Total	<u>\$ 1,270,566</u>	<u>\$ -</u>	<u>\$ 1,270,566</u>

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Water Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$125,459 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015.	\$ 51,985
Series 2011 installment purchase contract with an original loan amount of \$98,022 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	59,869
Series 2012 installment purchase contract with an original loan amount of \$179,575 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015.	120,512
Series 2013 installment purchase contract with an original loan amount of \$123,706 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	<u>123,706</u>
	<u>\$ 356,072</u>

Annual debt service requirements to maturity for the Utilities Commission's Water Fund installment purchase contract are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 145,958	\$ 5,225	\$ 151,183
2015	148,166	3,017	151,183
2016	61,948	771	62,719
Total	<u>\$ 356,072</u>	<u>\$ 9,013</u>	<u>\$ 365,085</u>

Debt Serviced by Sewer Fund

Revenue Bonds

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Sewer Fund. The Utilities 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 \$25,482,114 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 46% of net revenues, or less than 19% of total revenues. The total principal and interest remaining to be paid on the bonds is \$33,152,539. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,281,520, \$6,967,493 and \$17,760,728, respectively. Revenue bonds outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25 to 6.0%, final payment will be made on September 1, 2016.	\$ 752,114
Series 2005 Revenue Bonds with an original issue amount of \$4,036,062, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025.	2,921,100
Series 2008A Refunding Revenue Bonds with an original issue amount of \$4,219,963, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2018.	2,935,523
Series 2008A Revenue Bonds with an original issue amount of \$10,300,362, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2033.	9,436,453
Series 2010 Refunding Revenue Bonds with an original issue amount of \$2,172,644, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	1,952,517
Series 2013 Refunding Revenue Bonds with an original issue amount of \$2,235,254, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	2,025,607
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,292,200, issued to refund the 2.57% Clean Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2020.	5,458,800
	<u>\$ 25,482,114</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,411,741	\$ 883,402	\$ 3,295,143
2015	2,463,051	814,186	3,277,237
2016	2,514,104	741,179	3,255,283
2017	2,573,023	661,905	3,234,928
2018	2,419,068	582,353	3,001,421
2019 - 2023	6,039,317	2,084,546	8,123,863
2024 - 2028	3,236,992	1,289,962	4,526,954
2029 - 2033	3,106,508	594,934	3,701,442
2034	718,310	17,958	736,268
Total	<u>\$ 25,482,114</u>	<u>\$ 7,670,425</u>	<u>\$ 33,152,539</u>

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 grants 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. The states are required to provide 20% matching funds. In North Carolina, these funds are made available to units of local government at one-half of the market rate for a period of 20 years. The Utilities Commission's CWSRF loans outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
2.48% Clean Water State Revolving Fund loan issued in 2008 to finance upgrades to the electrical and SCADA systems at the wastewater treatment plant, \$13,851,680 authorized and \$13,317,613 drawn to date, due in annual installments of \$665,881 with a final payment on May 1, 2030.	\$ 11,697,385
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$9,241,586 authorized and \$6,505,279 drawn to date, due in annual installments of \$325,264 with a final payment on May 1, 2032.	6,043,200
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$13,987,369 authorized and \$6,908,971 drawn to date, due in annual installments of \$345,448 with a final payment on May 1, 2033.	6,908,971
	<u>\$ 24,649,556</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,221,978	\$ 504,309	\$ 1,726,287
2015	1,358,794	577,899	1,936,693
2016	1,358,794	544,369	1,903,163
2017	1,358,794	510,839	1,869,633
2018	1,358,794	477,308	1,836,102
2019 - 2023	6,793,970	1,883,584	8,677,554
2024 - 2028	6,793,970	1,045,324	7,839,294
2029 - 2033	4,404,462	258,257	4,662,719
Total	<u>\$ 24,649,556</u>	<u>\$ 5,801,889</u>	<u>\$ 30,451,445</u>

The Utilities 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 Utilities Commission and the Town of Bethel each financed portions of the infrastructure constructed to connect the Town of Bethel's collection system to the Utilities 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 Utilities Commission at the time the treatment service began and

the Utilities Commission is paying the Town of Bethel for the asset over a term of 20 years. At June 30, 2013, \$1,513,816 of the inter-local agreement remained outstanding. The inter-local agreement carries an effective interest rate of 5.53 percent and is payable in annual installments of \$151,382 with a final principal payment on May 1, 2023.

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 151,382	\$ 102,763	\$ 254,145
2015	151,382	99,071	250,453
2016	151,382	95,379	246,761
2017	151,382	91,687	243,069
2018	151,382	87,995	239,377
2019 - 2024	756,906	406,588	1,163,494
Total	<u>\$ 1,513,816</u>	<u>\$ 883,483</u>	<u>\$ 2,397,299</u>

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Sewer Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$297,034 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015.	\$ 123,079
Series 2011 installment purchase contract with an original loan amount of \$180,653 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	110,337
Series 2012 installment purchase contract with an original loan amount of \$101,055 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015.	67,817
Series 2013 installment purchase contract with an original loan amount of \$147,377 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	<u>147,377</u>
	<u>\$ 448,610</u>

Annual debt service requirements to maturity for the Utilities Commission's Sewer Fund installment purchase contract are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 179,198	\$ 7,550	\$ 186,748
2015	182,350	4,398	186,748
2016	<u>87,062</u>	<u>1,182</u>	<u>88,244</u>
Total	<u>\$ 448,610</u>	<u>\$ 13,130</u>	<u>\$ 461,740</u>

Debt Serviced by Gas Fund

Revenue Bonds

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Gas Fund. The Utilities 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 \$8,164,565 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 16% of net revenues, or less than four percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$9,542,021. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,190,645, \$7,759,697 and \$31,961,847, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,244,103, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25 to 6.0%, final payment will be made on September 1, 2016.	\$ 1,012,418
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,237,204, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2018.	860,634
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 3.5 to 5.0%, final payment will be made on November 1, 2033.	898,649
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,234,480, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021.	2,906,770
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,123,849, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018.	1,018,441
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,487,041, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027.	<u>1,467,653</u>
	<u>\$ 8,164,565</u>

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2014	\$ 978,153	\$ 245,120	\$ 1,223,273
2015	1,012,136	212,506	1,224,642
2016	1,041,536	178,175	1,219,711
2017	1,077,473	141,270	1,218,743
2018	819,965	110,333	930,298
2019 - 2023	2,239,468	301,705	2,541,173
2024 - 2028	644,189	133,061	777,250
2029 - 2033	285,524	53,633	339,157
2034	<u>66,121</u>	<u>1,653</u>	<u>67,774</u>
Total	<u>\$ 8,164,565</u>	<u>\$ 1,377,456</u>	<u>\$ 9,542,021</u>

Other Types of Debt (Commission)

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Gas Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year-end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$334,828 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015.	\$ 138,740
Series 2011 installment purchase contract with an original loan amount of \$180,474 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016.	110,227
Series 2012 installment purchase contract with an original loan amount of \$22,026 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015.	14,782
Series 2013 installment purchase contract with an original loan amount of \$143,251 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016.	143,251
	<u>\$ 407,000</u>

Annual debt service requirements to maturity for the Utilities Commission's Gas Fund installment purchase contract are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2014	\$ 159,189	\$ 7,202	\$ 166,391
2015	162,174	4,217	166,391
2016	85,637	1,169	86,806
Total	<u>\$ 407,000</u>	<u>\$ 12,588</u>	<u>\$ 419,588</u>

Rate Covenants (Commission)

The Utilities 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 Utilities 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, 2013 is as follows:

Operating revenues	\$ 261,045,089
Operating expenses ¹	<u>(228,066,646)</u>
Operating income	32,978,443
Non-operating revenues (expenses)	
Miscellaneous revenue ²	2,975,818
Interest income ²	230,341
Non-operating expenses	<u>(311,435)</u>
Income available for debt service	\$ 35,873,167
Parity debt service (principal and interest paid)	\$ 10,133,688
Parity debt service coverage ratio	354%
Subordinate and other debt service (principal and interest paid)	\$ 3,283,412
Subordinate and other debt service coverage ratio	784%

¹ Excludes depreciation expense of \$17,565,372 and unfunded OPEB expense of \$905,954 in accordance with rate covenants.

² Excludes restricted revenues and revenues received in the capital projects funds in accordance with rate covenants.

Current Refunding (Commission)

In March of 2013 the Commission issued revenue bonds in the amount of \$19,647,700 as current refunding of the 2003B revenue bonds, the 2007 revenue bonds, and three separate notes issued under the State of North Carolina Revolving Fund Loan Program. The refunding reduced future debt service payments and achieved total savings of \$1,039,905.

Arbitrage (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 Utilities 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, 2013, the Utilities Commission had no arbitrage liabilities.

Unearned Revenue (Commission)

Unearned revenue totaling \$157,931 in the Water Fund and \$220,020 in the Sewer Fund 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 by the Utilities Commission at the time the service is installed.

The City of Greenville issues any debt required by the Commission. As of June 30, 2013, the legal debt margin for the City was \$305,332,369.

Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2013, is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 172,575,245	\$ 365,538,499
Less capital debt:		
Gross debt	34,923,759	121,076,847
Less:		
Unamortized bond refunding charges	(1,183,981)	(1,360,672)
Unexpended debt proceeds	<u>(1,546,385)</u>	<u>(5,297,423)</u>
Net capital debt	<u>32,193,393</u>	<u>114,418,752</u>
Capital assets, net of related debt	<u>\$ 140,381,852</u>	<u>\$ 251,119,747</u>

Interfund Balances and Activity - Due to/From Other Funds

Balances due to/from other funds at June 30, 2013, consist of the following:

	<u>Payable Fund</u>				<u>Total</u>
	<u>Fund</u>	<u>Nonmajor Governmental</u>	<u>Major Electric Enterprise Fund</u>	<u>Internal Service Funds</u>	
<u>Receivable Fund</u>					
General Fund	\$ -	\$ 1,231,413	\$ 58,715	\$ 545,475	\$ 1,835,603
Nonmajor Enterprise Funds	-	-	222,317	-	222,317
Major Electric Enterprise Fund	<u>196,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,474</u>
Total	<u>\$ 196,474</u>	<u>\$ 1,231,413</u>	<u>\$ 281,032</u>	<u>\$ 545,475</u>	<u>\$ 2,254,394</u>

Amounts due to/from the various funds of the government were for:

Interfund Transfers

Transfers to/from other funds at June 30, 2013, consist of the following:

Transfers In	Transfers Out						Total
	Major General Fund	Nonmajor Governmental Fund	Nonmajor Enterprise Fund	Major Electric	Major Gas	Internal Service Funds	
Major general fund	\$ -	\$ 70,000	\$ 104,920	\$ 4,586,608	\$ 1,146,868	\$ -	\$ 5,908,396
Nonmajor governmental funds	5,872,119	346,029	-	-	-	-	6,218,148
Nonmajor enterprise funds	1,009,811	-	-	-	-	-	1,009,811
Internal service funds	467,904	-	-	-	-	175,000	642,904
Governmental activities	-	-	78,978	-	-	-	78,978
Total	<u>\$ 7,349,834</u>	<u>\$ 416,029</u>	<u>\$ 183,898</u>	<u>\$ 4,586,608</u>	<u>\$ 1,146,868</u>	<u>\$ 175,000</u>	<u>\$ 13,858,237</u>

Transfers in the amount of \$78,978 from the Nonmajor Enterprise Funds to Governmental Activities was due to the Bradford Creek Gold Course being moved to the General Fund, therefore, the capital assets were transferred to Governmental Activities capital assets. Other transfers consisted primarily of transfers from the Electric Fund and Gas Fund to the General Fund for turnover and street lighting, transfers from the General Fund to Non-Major Governmental Funds to cover operating, debt service and capital expenditures by those funds, transfers from the General Fund to the Non-Major Enterprise Fund and Internal Service Funds for operations, transfers from the Non-Major Enterprise Funds to Non-Major governmental Funds for Stormwater repairs and transfers from the Non-Major Governmental Funds and Non-Major Enterprise Funds to the General Fund and to cover capital expenditures. The General Fund transferred \$3,795,422 to the Non-Major debt service fund which is included in the above transfer schedule.

Note 4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. To mitigate the financial impact of any losses, the City has established a program to manage its financial risks through a self-funded arrangement in combination with purchased insurance. Liability exposures and workers compensation claims are addressed in the self funded program. Excess insurance (specific stop-loss coverage) is purchased through third party sources to cover catastrophic losses that exceed our self-insured retention funding. 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. 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	\$ 68,868,320
Excessive liability (general, auto, public officials*, law enforcement, firefighters, errors and omission, employer's liability)	5,000,000
Workers' compensation	Statutory
Workers' compensation employers' liability	1,000,000
Public officials' legal liability	250,000
Public employees' blanket bond	1,000,000
Public officials' bonds - Director of Financial Services	250,000

*An additional policy is offered for public officials. It falls under the excess liability, which has \$250,000 retention and a coverage limit of \$5,000,000.

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 two of its off-site locations. The City has coverage of \$500,000 on the building and \$172,000 on the contents, deductible of \$5,000 at River Park North. Coverage is also maintained at the Bradford Creek Golf Course at \$500,000 on the clubhouse and \$150,000 on the contents. Premiums for both locations are \$2,729.

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 and a combined maximum stop loss limit of \$14,709,829. 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 esti-

mates 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 \$1,834,800 reported in the Health Insurance Internal Service Fund at June 30, 2013 is based upon the requirements of Government Accounting Standards Board Statement No 10, which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicate it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in claims liability since inception are as follows:

	2013	2012
Unpaid claims, beginning	\$ 932,000	\$ 922,000
Incurred claims and administrative costs	12,704,716	7,531,530
Claims and administrative payments	(11,801,916)	(7,521,530)
Unpaid claims, ending	<u>\$ 1,834,800</u>	<u>\$ 932,000</u>

For the Commission, the medical claims liability of \$76,000 at June 30, 2013, is based upon the requirements of Government Accounting Standards Board Statement No 10, which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicate it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in claims liability since inception are as follows:

Changes in the balances of medical claims liabilities during the fiscal years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Unpaid claims, beginning	\$ 666,000	\$ 710,000
Incurred claims	5,103,734	5,320,577
Claim payments	(5,003,734)	(5,364,577)
Unpaid claims, ending	<u>\$ 766,000</u>	<u>\$ 666,000</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 \$2 million, property coverage up to \$218 million for real and personal property, workers' compensation coverage up to the statutory limits, and umbrella liability of \$20 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 \$185,505.

	2013	2012
Unpaid claims, beginning	\$ 490,502	\$ 475,860
Incurred claims and administrative costs	334,408	363,120
Claim and administrative payments	(639,405)	(384,478)
Unpaid claims, ending	<u>\$ 185,505</u>	<u>\$ 454,502</u>

All reserves and estimated claims reported but not paid are accrued and reported 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 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 anytime or who has 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.

Note 5. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2013, the City of Greenville has recognized on-behalf payments for pension contributions made by the state as a revenue and an expenditure of \$7,440 for the 64 employed firemen who perform firefighting duties for the City's fire department. The employees elected to be members of the Firemen and Rescue Worker's Pension Fund, a cost sharing, multiple employer, public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Also, the City has recognized, as a revenue and an expenditure, on-behalf payments for fringe benefits and salaries of \$12,505 for the salary supplement and stipend benefits paid to eligible firemen by the local board of trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2013. Under State law, the local board of trustees for the Fund, receives an amount each year, which the board may use at its own discretion for eligible firemen or their departments.

Note 6. Jointly Governed Organizations

Pitt-Greenville Convention and Visitors Authority: The City Council appoints five members of the 11-member board of the Pitt-Greenville Convention and Visitors Authority (the "Authority"). The City's accountability is to approve the annual budget along with the County of Pitt. The City does not contribute funds to the Authority. The 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 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 Utilities 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 Greenville Utilities 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, 2013 was approximately \$327 million.

Note 7. 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 at a lower interest rate. 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 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 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 "Authority") for the joint benefit of all participants. Upon dissolution of the 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 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 Authority to operate the airport. The City contributed \$32,553 to the Authority during the fiscal year ended June 30, 2013. The City has a 50% equity interest in the joint venture, therefore, an equity interest of \$17,973,735 has been reflected in the government-wide financial statements at June 30, 2013. Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at Airport Road, Post Office Box 671, Greenville, North Carolina, 27835.

Note 8. Related Organizations

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.

Note 9. Claims and Judgments

At June 30, 2013, the City, including the Commission, was a defendant to various lawsuits. In the opinion of the City's management and the City Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

Note 10. 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.

Note 11. Change in Accounting Principles

The City and Commission implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement 65, Items Previously reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

Note 12. Prior Period Adjustment

Errors were discovered with regards to Library and Airport health insurance reimbursement amounts recognized in the General Fund and the Health Insurance Internal Service Fund. The effect of such errors resulted in an understatement of General Fund fund balance and an overstatement of the Health Insurance Fund net position by \$377,715 in the prior year. In addition, errors were discovered with regards to Pitt-Greenville Convention & Visitors Authority health insurance reimbursement amounts recognized in the Health Insurance Internal Service Fund. The effect of such errors resulted in an overstatement of the Health Insurance Fund net position by \$50,079 in the prior year. As of June 30, 2013, fund balance for the General Fund has been restated by \$377,715 and the Health Insurance Internal Service Fund's net position has been restated by \$427,794. In addition, governmental activities in the Statement of Net Position have been restated by \$17,973,735 to record the City's equity interest in the Pitt-Greenville Airport Authority.

required supplemental **statements**



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Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 For the Year Ended June 30, 2013

Schedule A-1

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/ b)	Covered Payroll (c)	UAAL as a Percentage Covered Payroll (b - a) /c
12/31/2012	\$ -	\$ 4,945,095	\$ 4,945,095	0.00%	\$ 10,000,760	49.45%
12/31/2011	-	4,637,204	4,637,204	0.00%	10,091,048	45.95%
12/31/2010	-	4,451,753	4,451,753	0.00%	10,542,874	42.23%
12/31/2009	-	4,960,374	4,960,374	0.00%	10,274,344	48.28%
12/31/2008	-	3,766,789	3,766,789	0.00%	9,205,403	40.92%
12/31/2007	-	3,448,808	3,448,808	0.00%	8,584,240	40.18%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2013	\$ 511,717	63.14%
2012	491,169	57.62%
2011	521,156	59.13%
2010	396,315	75.95%
2009	357,105	85.00%
2008	320,219	92.00%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2012	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	19 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5.00%	* Includes inflation at 3.00%
Projected salary increases *	4.25 - 7.85%	
Cost of living adjustments	N/A	

Other Post-Employment Benefits - City Plan

Required Supplementary Information

For the Year Ended June 30, 2013

Schedule A-2

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Asstes (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAI) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 1,137,911	\$ 32,964,864	\$ 31,826,953	3.50%	\$ 37,453,447	85.0%
12/31/2009	542,117	39,371,279	38,829,162	1.40%	37,779,784	102.8%
12/31/2008	250,000	43,474,907	43,224,907	0.60%	35,295,193	122.5%
12/31/2007	-	48,322,035	48,322,035	0.00%	32,836,798	147.2%

Schedule of Employer Contributions		
Year Ending June 30,	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2013	\$ 3,449,243	33.73%
2012	3,449,243	58.41%
2011	3,324,572	31.52%
2010	3,921,273	16.54%
2009	3,712,651	16.08%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.

Additional information as of the latest valuation follows:

Valuation date	12/31/2011	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7%	* Includes inflation at 3.00%
Medical cost trend rate	9.50% - 5.00%	
Year of Ultimate trend rate	2018	

Other Post-Employment Benefits - Utilities Commission Plan
 Required Supplementary Information
 For the Year Ended June 30, 2013

Schedule A-3

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 815,597	\$ 21,180,825	\$ 20,365,228	3.9%	\$ 23,730,460	85.8%
12/31/2011	446,178	20,924,265	20,478,087	2.1%	24,081,113	85.0%
12/31/2009	-	30,330,748	30,330,748	0.0%	23,104,504	131.3%
12/31/2008	-	31,995,113	31,995,113	0.0%	22,345,440	143.2%
12/31/2005	-	35,860,373	35,860,373	0.0%	19,489,354	184.0%

Schedule of Employer Contributions

Year Ending June 30,	Annual Required Contributions	Percentage of ARC Contributed
2013	\$ 1,769,981	56.5%
2012	2,395,223	47.6%
2011	2,308,649	57.3%
2010	2,512,284	28.4%
2009	2,512,284	17.4%
2008	3,229,052	12.7%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows.

Valuation date	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	29 years
Amortization factor	17.8892
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	7% * Includes inflation at 3.00%
Medical trend assumptions:	
Pre-Medicare trend rate	8.50% - 5.00%
Post-Medicare trend rate	6.25% - 5.00%
Year of ultimate trend rate	2018

Schedule of Ad Valorem Taxes Receivable
 Required Supplementary Information
 June 30, 2013

Schedule A-4

Fiscal Year	Balance June 30, 2012	Additions	Collections and Credits	Balance June 30, 2013
2013-2012	\$ -	\$ 30,005,084	\$ 29,195,138	\$ 809,946
2012-2011	883,791	-	643,739	240,052
2011-2010	233,676	-	87,954	145,722
2010-2009	138,184	-	27,861	110,323
2009-2008	129,370	-	12,875	116,495
2008-2007	87,355	-	6,684	80,671
2007-2006	98,523	-	5,095	93,428
2006-2005	73,087	-	2,019	71,068
2005-2004	70,025	-	1,509	68,516
2004-2003	82,119	-	1,589	80,530
2003-2002	79,292	-	79,292	-
	\$ 1,875,422	\$ 30,005,084	\$ 30,063,755	1,816,751
Less allowance for uncollectible accounts - General Fund				838,328
Ad valorem taxes receivable net - General Fund				\$ 978,423
Reconcilement with revenues				
Ad valorem taxes - General Fund				\$ 30,275,886
Reconciling items:				
Amount written off per statute				(79,292)
Interest collected				(184,568)
Tax refunds				-
Discounts				-
Miscellaneous				51,729
Total collections and credits				\$ 30,063,755

Analysis of Current Tax Levy

City - Wide Levy

For the Year Ended June 30, 2013

Schedule A-5

	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	\$ 5,857,690,585	0.52	\$ 30,459,991	\$ 27,187,570	\$ 3,272,421
Penalties	-		13,981	13,981	-
Total	<u>5,857,690,585</u>		<u>30,473,972</u>	<u>27,201,551</u>	<u>3,272,421</u>
Discoveries					
Current year taxes	6,317,121	0.52	32,849	30,706	2,143
Penalties	-		4,460	4,460	-
Total	<u>6,317,121</u>		<u>37,309</u>	<u>35,166</u>	<u>2,143</u>
Abatements	<u>(97,345,517)</u>		<u>(506,197)</u>	<u>(435,026)</u>	<u>(71,171)</u>
Total property valuation	<u>\$ 5,766,662,189</u>				
Net Levy			30,005,084	26,801,691	3,203,393
Uncollected taxes as of June 30, 2013			<u>(809,946)</u>	<u>(264,437)</u>	<u>(545,509)</u>
Current year's taxes collected			<u>\$ 29,195,138</u>	<u>\$ 26,537,254</u>	<u>\$ 2,657,884</u>
Current levy collection percentage			<u>97.30%</u>	<u>99.01%</u>	<u>82.97%</u>
Prior year collection percentage			<u>97.18%</u>	<u>98.79%</u>	<u>82.80%</u>

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government fund **financial statements**



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general fund

The General Fund accounts for the revenues and expenditures in operating the general government functions of a nonproprietary nature. This fund receives ad valorem tax revenues, state shared revenues, licenses, permits and fees. The major operating activities include general government, police, fire, public works, parks and recreation, as well as other governmental service functions.

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013
With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule A-6
Page 1 of 3

	2013		
	Budget	Actual	Variance Over/Under
Revenues			
Ad valorem taxes:			
Current year operations	\$ -	\$ 30,064,980	\$ -
Prior year	-	571,813	-
Interest and penalties	-	184,568	-
Tax discounts	-	(404,962)	-
Tax refunds	-	(140,513)	-
Total ad valorem taxes	<u>30,192,968</u>	<u>30,275,886</u>	<u>82,918</u>
Other taxes			
Local options sales tax	-	5,789,231	-
Cable TV franchise tax	-	919,187	-
One-half percent sales tax	-	6,103,784	-
Medicaid hold harmless payment	-	2,779,426	-
Rental vehicle - gross receipts	-	118,679	-
Total other taxes	<u>15,704,760</u>	<u>15,710,307</u>	<u>5,547</u>
Unrestricted intergovernmental			
Other unrestricted revenues	-	92,095	-
Utilities franchise tax	-	5,441,125	-
Beer and wine tax	-	343,423	-
Total unrestricted intergovernmental	<u>5,910,166</u>	<u>5,876,643</u>	<u>(33,523)</u>
Restricted intergovernmental			
NC DOT traffic control lights	-	338,656	-
Housing authority drug grant	-	111,088	-
Special federal, state and local grants	-	156,081	-
Section 104F planning grant	-	173,862	-
Law enforcement block grant	-	14,939	-
Other restricted intergovernmental revenue	-	247,298	-
File and rescue SAFER grant	-	155,288	-
Powell Bill - State allocation payment	-	2,364,198	-
Total restricted intergovernmental	<u>3,982,457</u>	<u>3,561,410</u>	<u>(421,047)</u>
Licenses, permits and fees			
Privilege licenses	-	601,335	-
Inspection fees	-	776,267	-
State fire protection	-	396,706	-
Planning department fees	-	82,388	-
Police department fees	-	337,141	-
Fire and rescue department fees	-	169,780	-
Other permits and fees	-	93,311	-
Total licenses, permits and fees	<u>2,679,825</u>	<u>2,456,928</u>	<u>(222,897)</u>
Sales and services			
Rescue fees	-	3,263,257	-
Recreation department programs and fees	-	1,138,645	-
Utilities street cuts	-	189,900	-
Rents and concessions	-	210,832	-
Other sales and services	-	681,716	-
Total sales and services	<u>5,366,062</u>	<u>5,484,350</u>	<u>118,288</u>
Investment earnings	<u>1,768,922</u>	<u>62,362</u>	<u>(1,706,560)</u>

General Fund

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

For the Year Ended June 30, 2013

Schedule A-6

With Comparative Actual Amounts for Year Ended June 30, 2012

Page 2 of 3

	2013		Variance Over/Under
	Budget	Actual	
Other revenues			
Parking violation penalty	-	192,902	-
Other revenues	-	602,692	-
Total other revenues	<u>1,368,319</u>	<u>795,594</u>	<u>(572,725)</u>
Total revenues	<u>66,973,479</u>	<u>64,223,480</u>	<u>(2,749,999)</u>
Expenditures			
General government:			
Mayor and City Council	297,964	297,960	4
City Manager	1,290,938	1,003,757	287,181
City Clerk	271,798	232,301	39,497
City Attorney	445,278	444,252	1,026
Human Resources	2,654,692	2,147,256	507,436
Financial Services	2,349,592	2,228,036	121,556
Information Technology	2,960,403	2,781,371	179,032
Total general government	<u>10,270,665</u>	<u>9,134,933</u>	<u>1,135,732</u>
Public safety			
Fire and Rescue	13,318,531	12,518,984	799,547
Police	22,723,654	22,226,337	497,317
Total public safety	<u>36,042,185</u>	<u>34,745,321</u>	<u>1,296,864</u>
Public works			
Other Public Works	8,502,832	7,366,992	1,135,840
Streets	1,363,993	993,730	370,263
Total public works	<u>9,866,825</u>	<u>8,360,722</u>	<u>1,506,103</u>
Economic and physical development			
Community Development	1,808,855	1,633,906	174,949
Total economic and physical development	<u>1,808,855</u>	<u>1,633,906</u>	<u>174,949</u>
Cultural and recreational			
Recreation	7,361,861	7,111,553	250,308
Total cultural and recreational	<u>7,361,861</u>	<u>7,111,553</u>	<u>250,308</u>
Capital outlay	<u>6,588,403</u>	<u>3,785,652</u>	<u>2,802,751</u>
Reimbursement of indirect cost	<u>(1,014,572)</u>	<u>(1,014,572)</u>	<u>-</u>
Contribution to OPEB trust	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total expenditures	<u>71,224,222</u>	<u>64,057,515</u>	<u>7,166,707</u>
Revenues over (under) expenditures	<u>(4,250,743)</u>	<u>165,965</u>	<u>4,416,708</u>

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2013
With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule A-6
Page 3 of 3

	2013		
	Budget	Actual	Variance Over/Under
Other financing sources (uses)			
Transfers from other funds:			
Greenville Utilities Commission turnover	5,204,669	5,037,771	(166,898)
Greenville Utilities Commission, lighting reimbursement	708,606	695,705	(12,901)
Other funds	486,152	174,920	(311,232)
Transfers to other funds	(7,218,335)	(7,349,834)	(131,499)
Bond proceeds	-	-	-
Contingency	(257,819)	-	257,819
Appropriated fund balance	<u>5,327,470</u>	<u>-</u>	<u>(5,327,470)</u>
Total other financing sources (uses)	<u>4,250,743</u>	<u>(1,441,438)</u>	<u>(5,692,181)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,275,473)</u>	<u>\$ (1,275,473)</u>
Fund balance			
Fund balance, beginning of year - July 1		31,964,967	
Prior period adjustment		<u>377,715</u>	
Fund balance, beginning of year- as restated		<u>32,342,682</u>	
Fund balance, end of year - June 30		<u>\$ 31,067,209</u>	

non-major governmental funds



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**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2013**

Schedule B-1

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 1,849,784	\$ 942,821	\$ 6,932,696	\$ 9,725,301
Accounts receivable, net	678,040	-	373,138	1,051,178
Interest receivable	1,362	-	-	1,362
Due from other governments	60,349	-	84,487	144,836
Prepaid items and deposits	49,470	-	-	49,470
Restricted cash and investments	-	-	1,546,385	1,546,385
Total assets	<u>\$ 2,639,005</u>	<u>\$ 942,821</u>	<u>\$ 8,936,706</u>	<u>\$ 12,518,532</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 186,794	\$ -	\$ 825,683	\$ 1,012,477
Advances from grantors	-	-	270,782	270,782
Due to other funds	<u>574,501</u>	<u>-</u>	<u>656,912</u>	<u>1,231,413</u>
Total liabilities	<u>761,295</u>	<u>-</u>	<u>1,753,377</u>	<u>2,514,672</u>
Deferred inflows of resources				
Loans receivable	<u>323,916</u>	<u>-</u>	<u>361,408</u>	<u>685,324</u>
Fund balances				
Nonspendable				
Prepaid items	49,470	-	-	49,470
Restricted				
Stablization by State Statute	415,835	-	96,217	512,052
Restricted for general government	-	-	488,636	488,636
Restricted for economic development	-	-	1,057,749	1,057,749
Restricted for culture and recreation	101,259	-	-	101,259
Committed				
Comitted for general government	-	-	-	-
Committed for culture and recreation	-	-	706,312	706,312
Committed for public safety	1,759	-	294,371	296,130
Committed for economic development	774,932	-	3,006,635	3,781,567
Committed for capital outlays	-	-	2,019,768	2,019,768
Committed for debt service	-	942,821	-	942,821
Assigned				
Assigned for subsequent years expenditures	83,847	-	-	83,847
Assigned for culture and recreation	460,429	-	-	460,429
Unassigned	<u>(333,737)</u>	<u>-</u>	<u>(847,767)</u>	<u>(1,181,504)</u>
Total fund balances	<u>1,553,794</u>	<u>942,821</u>	<u>6,821,921</u>	<u>9,318,536</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,639,005</u>	<u>\$ 942,821</u>	<u>\$ 8,936,706</u>	<u>\$ 12,518,532</u>

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Schedule B-2

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues				
Other taxes	\$ -	\$ 591,792	\$ 217,252	\$ 809,044
Restricted intergovernmental	3,833,942	-	583,005	4,416,947
Investment earnings	1,862	543	4,583	6,988
Other revenues	393,918	-	125,882	519,800
Total revenues	<u>4,229,722</u>	<u>592,335</u>	<u>930,722</u>	<u>5,752,779</u>
Expenditures				
Current:				
General government	-	-	2,102,736	2,102,736
Cultural and recreational	2,330,115	-	157,326	2,487,441
Public safety	472,931	-	858,691	1,331,622
Economic and physical development	2,666,605	-	1,852,002	4,518,607
Principal retirement	-	12,613,973	-	12,613,973
Interest and fees	-	2,010,321	-	2,010,321
Total expenditures	<u>5,469,651</u>	<u>14,624,294</u>	<u>4,970,755</u>	<u>25,064,700</u>
Revenues over (under) expenditures	<u>(1,239,929)</u>	<u>(14,031,959)</u>	<u>(4,040,033)</u>	<u>(19,311,921)</u>
Other financing sources (uses)				
Long-term debt issued	-	-	2,591,372	2,591,372
Refunding debt issued	-	19,950,000	-	19,950,000
Payments to escrow agents	-	(9,750,000)	-	(9,750,000)
Transfers from other funds	1,429,897	3,795,423	992,828	6,218,148
Transfers to other funds	(71,029)	-	(345,000)	(416,029)
Total other financing sources (uses)	<u>1,358,868</u>	<u>13,995,423</u>	<u>3,239,200</u>	<u>18,593,491</u>
Net change in fund balances	118,939	(36,536)	(800,833)	(718,430)
Fund balances				
Fund balances, beginning of year - July 1	1,434,855	979,357	7,622,754	10,036,966
Fund balances, end of year - June 30	<u>\$ 1,553,794</u>	<u>\$ 942,821</u>	<u>\$ 6,821,921</u>	<u>\$ 9,318,536</u>

non-major special revenue funds

Community Development Fund - established to account for United States Department of Housing and Urban Development (HUD) block grant and home program grant proceeds allocated to the City for community development programs.

Sheppard Memorial Library Fund - established to account for funds to provide the residents of the City of Greenville and Pitt County with a free public library.

Housing Trust Fund - established to account for Department of Housing and Urban Development (HUD) grant proceeds allocated to the City for distribution as home buyer assistance loans to first time home purchasers.

Small Business Loan Program - established to account for proceeds from area banks for distribution as loans to small businesses meeting criteria established by the loan committee.

League of Municipalities Conference Fund - established to account for donations, from partners and sponsors, and expenditures to fund conference activity.

Lead Based Paint Hazard Grant - used to remove lead paint from dwellings purchased through the Community Development Block Grant for resale.

Community Development Block Grant (CDBG) Recovery Grant Project - established to account for Department of Housing and Urban Development grant proceeds allocated to the City for costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

Byrne-JAG Grant Recovery Fund - established to account for Department of Justice grant proceeds allocated to City to improve police services and reduce crime through the purchase of updated technology and to enhance community oriented policing services.

Energy Efficiency Recovery Grant - established to account for Department of Energy grant proceeds allocated to the City to reduce the City's carbon footprint through energy efficiency and conservation.

Community Oriented Policing Services (COPS) Hiring Recovery Grant - established to account for Department of Justice grant proceeds allocated to the City to hire or rehire police officers.

Centralized Grant - established to account for Department of Crime Control and Public Safety grant proceeds allocated to the City for costs associated with neighborhood policing initiatives as well as other grants which may be awarded to the City.

Hurricane Irene FEMA Grant - established to account for the FEMA grant proceeds allocated to the City for costs associated with the clean-up and recovery efforts in response to Hurricane Irene.

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2013

	Community Development Fund	Sheppard Memorial Library	Housing Trust Fund	Small Business Loan Program	League of Municipalities Conference
Assets					
Cash and cash equivalents	\$ 420,936	\$ 768,033	\$ 45,336	\$ 68,065	\$ -
Accounts receivable, net	426,581	-	9,692	20,785	-
Interest receivable	-	1,362	-	-	-
Due from other governments	1,238	58,866	245	-	-
Prepaid items	-	49,470	-	-	-
Total assets	<u>\$ 848,755</u>	<u>\$ 877,731</u>	<u>\$ 55,273</u>	<u>\$ 88,850</u>	<u>\$ -</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 52,411	\$ 10,944	\$ -	\$ -	\$ -
Due to other funds	<u>154,723</u>	<u>111,554</u>	<u>-</u>	<u>-</u>	<u>7,664</u>
Total liabilities	<u>207,134</u>	<u>122,498</u>	<u>-</u>	<u>-</u>	<u>7,664</u>
Deferred inflows of resources					
Loans receivable	<u>292,175</u>	<u>-</u>	<u>9,490</u>	<u>8,419</u>	<u>-</u>
Fund balances					
Nonspendable:					
Prepaid items	-	49,470	-	-	-
Restricted:					
Stablization by State Statute	135,644	60,228	447	12,366	-
Restricted for culture and recreation	-	101,259	-	-	-
Committed					
Committed for economic and physical development	213,802	-	45,336	68,065	-
Committed for public safety	-	-	-	-	-
Assigned					
Assigned for subsequent years expenditures	-	83,847	-	-	-
Assigned for culture and recreation	-	460,429	-	-	-
Unassigned	-	-	-	-	(7,664)
Total fund balances	<u>349,446</u>	<u>755,233</u>	<u>45,783</u>	<u>80,431</u>	<u>(7,664)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 848,755</u>	<u>\$ 877,731</u>	<u>\$ 55,273</u>	<u>\$ 88,850</u>	<u>\$ -</u>

Schedule C-1

<u>Lead Based Paint Hazard Grant</u>	<u>CDBG Recovery Grant Project</u>	<u>Byrne-JAG Grant Recovery Grant</u>	<u>Energy Efficiency Recovery Grant</u>	<u>COPS Hiring Recovery Grant</u>	<u>Centralized Grant</u>	<u>Hurricane Irene FEMA Grant</u>	<u>Total</u>
\$ 2,176	\$ -	\$ 1,759	\$ 259,500	\$ -	\$ 283,979	\$ -	\$ 1,849,784
-	-	-	13,832	136,620	69,410	1,120	678,040
-	-	-	-	-	-	-	1,362
-	-	-	-	-	-	-	60,349
-	-	-	-	-	-	-	49,470
<u>\$ 2,176</u>	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 273,332</u>	<u>\$ 136,620</u>	<u>\$ 353,389</u>	<u>\$ 1,120</u>	<u>\$ 2,639,005</u>
\$ -	\$ -	\$ -	\$ -	\$ 24,062	\$ 97,926	\$ 1,451	\$ 186,794
-	288	-	-	124,946	-	175,326	574,501
-	288	-	-	149,008	97,926	176,777	761,295
-	-	-	13,832	-	-	-	323,916
-	-	-	-	-	-	-	49,470
-	-	-	-	136,620	69,410	1,120	415,835
-	-	-	-	-	-	-	101,259
2,176	-	-	259,500	-	186,053	-	774,932
-	-	1,759	-	-	-	-	1,759
-	-	-	-	-	-	-	83,847
-	-	-	-	-	-	-	460,429
-	(288)	-	-	(149,008)	-	(176,777)	(333,737)
<u>2,176</u>	<u>(288)</u>	<u>1,759</u>	<u>259,500</u>	<u>(12,388)</u>	<u>255,463</u>	<u>(175,657)</u>	<u>1,553,794</u>
<u>\$ 2,176</u>	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 273,332</u>	<u>\$ 136,620</u>	<u>\$ 353,389</u>	<u>\$ 1,120</u>	<u>\$ 2,639,005</u>

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	<u>Community Development Fund</u>	<u>Sheppard Memorial Library</u>	<u>Housing Trust Fund</u>	<u>Small Business Loan Program</u>	<u>League of Municipalities Conference</u>
Revenues					
Restricted intergovernmental	\$ 1,704,183	\$ 935,861	\$ -	\$ -	\$ -
Investment earnings	-	1,862	-	-	-
Other revenues	<u>193,039</u>	<u>178,312</u>	<u>600</u>	<u>19,867</u>	<u>-</u>
Total revenues	<u>1,897,222</u>	<u>1,116,035</u>	<u>600</u>	<u>19,867</u>	<u>-</u>
Expenditures					
Current:					
Cultural and recreational	-	2,330,115	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	<u>1,935,468</u>	<u>-</u>	<u>3,318</u>	<u>5,263</u>	<u>-</u>
Total expenditures	<u>1,935,468</u>	<u>2,330,115</u>	<u>3,318</u>	<u>5,263</u>	<u>-</u>
Revenues over (under) expenditures	<u>(38,246)</u>	<u>(1,214,080)</u>	<u>(2,718)</u>	<u>14,604</u>	<u>-</u>
Other financing sources (uses)					
Transfers from other funds	290,967	1,110,180	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,029)</u>	<u>-</u>
Total other financing sources (uses)	<u>290,967</u>	<u>1,110,180</u>	<u>-</u>	<u>(71,029)</u>	<u>-</u>
Net change in fund balances	252,721	(103,900)	(2,718)	(56,425)	-
Fund balances					
Fund balance, beginning of year - July 1	<u>96,725</u>	<u>859,133</u>	<u>48,501</u>	<u>136,856</u>	<u>(7,664)</u>
Fund balance, end of year - June 30	<u>\$ 349,446</u>	<u>\$ 755,233</u>	<u>\$ 45,783</u>	<u>\$ 80,431</u>	<u>\$ (7,664)</u>

Schedule C-2

<u>Lead Based Paint Hazard Grant</u>	<u>CDBG Recovery Grant Project</u>	<u>Byrne-JAG Grant Recovery Grant</u>	<u>Energy Efficiency Recovery Grant</u>	<u>COPS Hiring Recovery Grant</u>	<u>Centralized Grant</u>	<u>Hurricane Irene FEMA Grant</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 137,199	\$ 504,378	\$ 550,835	\$ 1,486	\$ 3,833,942
-	-	-	-	-	-	-	1,862
-	-	-	-	-	2,100	-	393,918
-	-	-	137,199	504,378	552,935	1,486	4,229,722
-	-	-	-	-	-	-	2,330,115
-	-	15,187	-	457,744	-	-	472,931
414	-	-	134,200	-	348,141	239,801	2,666,605
414	-	15,187	134,200	457,744	348,141	239,801	5,469,651
(414)	-	(15,187)	2,999	46,634	204,794	(238,315)	(1,239,929)
-	-	-	-	-	28,750	-	1,429,897
-	-	-	-	-	-	-	(71,029)
-	-	-	-	-	28,750	-	1,358,868
(414)	-	(15,187)	2,999	46,634	233,544	(238,315)	118,939
2,590	(288)	16,946	256,501	(59,022)	21,919	62,658	1,434,855
\$ 2,176	\$ (288)	\$ 1,759	\$ 259,500	\$ (12,388)	\$ 255,463	\$ (175,657)	\$ 1,553,794

Community Development Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013**

Schedule C-3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
CDBG & home entitlement program:				
Property owners matching fund	\$ 146,083	\$ 40,371	\$ -	\$ 40,371
Federal grant , HUD	27,600,270	7,017,811	1,704,183	8,721,994
Consortium members	34,000	13,666	-	13,666
Loan payments	550,454	186,918	61,124	248,042
Interest income	153,215	25	-	25
Sale of acquired property	147,930	204,779	131,915	336,694
Total revenues	<u>28,631,952</u>	<u>7,463,570</u>	<u>1,897,222</u>	<u>9,360,792</u>
Expenditures				
CDBG & home entitlement program:				
Administration	6,484,373	1,238,504	471,271	1,709,775
Rehab - third party owned dwellings	10,221,698	2,796,887	603,981	3,400,868
Rehab - rental	202,716	62,875	-	62,875
Outside agency funding	2,121,833	98,030	128,991	227,021
Acquisition dilapidated	1,273,158	102,077	6,642	108,719
Code enforcement	310,815	167,315	10,795	178,110
Conversion program	253,000	-	-	-
Small area revitalization	787,830	5,000	-	5,000
Demolition grants	344,259	-	17,970	17,970
Secondary mortgage	1,475,239	421,601	38,694	460,295
Ec. Dev. Study , West Grn./Meadowbrook	489,255	178,424	125	178,549
Neighborhood input grants	2,964	-	-	-
Concentrated needs	1,772,299	-	-	-
Sewer oakgrove	25,482	-	-	-
Other expenses	58,010	58,010	-	58,010
Relocation	116,920	21,162	13,316	34,478
Contribution to other consortium members	5,368,429	2,893,909	643,683	3,537,592
Capital outlay	12,403	11,834	-	11,834
Total expenditures	<u>31,320,683</u>	<u>8,055,628</u>	<u>1,935,468</u>	<u>9,991,096</u>
Revenues over (under) expenditures	<u>(2,688,731)</u>	<u>(592,058)</u>	<u>(38,246)</u>	<u>(630,304)</u>
Other financing sources (uses)				
Transfers in (out):				
Transfers from other funds	3,356,231	1,356,283	290,967	1,647,250
Transfers to other funds	(667,500)	(667,500)	-	(667,500)
Total other financing sources (uses)	<u>2,688,731</u>	<u>688,783</u>	<u>290,967</u>	<u>979,750</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 96,725</u>	<u>252,721</u>	<u>\$ 349,446</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>96,725</u>	
Fund balance, end of year - June 30			<u>\$ 349,446</u>	

Sheppard Memorial Library

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

For the Year Ended June 30, 2013

Schedule C-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues			
County of Pitt	\$ 530,091	\$ 535,681	\$ 5,590
Town of Winterville	161,240	30,901	(130,339)
Town of Bethel	30,901	161,240	130,339
State aid	183,039	183,039	-
LSTA grant	25,000	25,000	-
Fees	118,040	126,066	8,026
Interest earnings	1,000	1,862	862
Housing authority	10,692	10,692	-
Miscellaneous	40,535	41,554	1,019
Total revenues	<u>1,100,538</u>	<u>1,116,035</u>	<u>15,497</u>
Expenditures			
Culture and recreation:			
Salaries and benefits	1,406,888	1,385,901	20,987
Other operating expenditures	373,442	351,047	22,395
Maintenance & repairs	179,350	180,443	(1,093)
Capital outlay	365,485	412,724	(47,239)
Total expenditures	<u>2,325,165</u>	<u>2,330,115</u>	<u>(4,950)</u>
Revenues over (under) expenditures	<u>(1,224,627)</u>	<u>(1,214,080)</u>	<u>10,547</u>
Other financing sources (uses)			
Transfers in - City of Greenville	1,110,180	1,110,180	-
Appropriated fund balance	114,447	-	(114,447)
Total other financing sources (uses)	<u>1,224,627</u>	<u>1,110,180</u>	<u>(114,447)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(103,900)</u>	<u>\$ (103,900)</u>
Fund Balances			
Beginning of year - July 1		859,133	
End of year - June 30		<u>\$ 755,233</u>	

Housing Trust Fund

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

From Inception and for the Year Ended June 30, 2013

Schedule C-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Grants	\$ 320,500	\$ 178,576	\$ -	\$ 178,576
Investment earnings	4,265	12,473	-	12,473
Loan payments	7,210	26,233	600	26,833
Total revenues	<u>331,975</u>	<u>217,282</u>	<u>600</u>	<u>217,882</u>
Expenditures				
Small area revitalization	19,332	19,978	-	19,978
Rehabilitation	221,113	215,374	-	215,374
Loans made	212,530	54,429	3,318	57,747
Total expenditures	<u>452,975</u>	<u>289,781</u>	<u>3,318</u>	<u>293,099</u>
Revenues over (under) expenditures	(121,000)	(72,499)	(2,718)	(75,217)
Other financing sources (uses)				
Transfers from other funds	121,000	121,000	-	121,000
Net change in fund balance	<u>\$ -</u>	<u>\$ 48,501</u>	(2,718)	<u>\$ 45,783</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>48,501</u>	
Fund balance, end of year - June 30			<u>\$ 45,783</u>	

Small Business Loan Program

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013**

Schedule C-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Other Revenues:				
Bank contribution	\$ 546,029	\$ 448,243	\$ -	\$ 448,243
Loan payments	253,552	477,376	6,009	483,385
Application fees	2,000	1,550	13,858	15,408
Investment earnings	1,706	5,817	-	5,817
Total revenues	<u>803,287</u>	<u>932,986</u>	<u>19,867</u>	<u>952,853</u>
Expenditures				
Administration	2,000	658	-	658
Payments to banks	255,258	483,521	5,263	488,784
Loans made	475,000	448,242	-	448,242
Loan loss reserve	142,500	6,209	-	6,209
Total expenditures	<u>874,758</u>	<u>938,630</u>	<u>5,263</u>	<u>943,893</u>
Revenues over (under) expenditures	<u>(71,471)</u>	<u>(5,644)</u>	<u>14,604</u>	<u>8,960</u>
Other financing sources (uses)				
Transfers from other funds	142,500	142,500	-	142,500
Transfers to other funds	<u>(71,029)</u>	<u>-</u>	<u>(71,029)</u>	<u>(71,029)</u>
Total other financing sources (uses)	<u>71,471</u>	<u>142,500</u>	<u>(71,029)</u>	<u>71,471</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 136,856</u>	<u>(56,425)</u>	<u>\$ 80,431</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>136,856</u>	
Fund balance, end of year - June 30			<u>\$ 80,431</u>	

League of Municipalities Conference

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

From Inception and for the Year Ended June 30, 2013

Schedule C-7

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Other, donations	\$ 150,000	\$ 85,970	\$ -	\$ 85,970
Expenditures				
Administration	30,000	9,085	-	9,085
Contracted services	80,000	74,018	-	74,018
Supplies and materials	69,394	39,925	-	39,925
Total expenditures	<u>179,394</u>	<u>123,028</u>	<u>-</u>	<u>123,028</u>
Revenues over (under) expenditures	(29,394)	(37,058)	-	(37,058)
Other financing sources (uses):				
Transfers from other funds	<u>29,394</u>	<u>29,394</u>	<u>-</u>	<u>29,394</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,664)</u>	<u>-</u>	<u>\$ (7,664)</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>(7,664)</u>	
Fund balance, end of year - June 30			<u>\$ (7,664)</u>	

Lead Based Paint Hazard Grant

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

From Inception and for the Year Ended June 30, 2013

Schedule C-8

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Recovery lead-based paint grant	\$ 1,922,370	\$ 1,650,580	\$ -	\$ 1,650,580
Expenditures				
Administration	216,894	193,856	-	193,856
Operations	1,705,476	1,454,134	414	1,454,548
Total expenditures	<u>1,922,370</u>	<u>1,647,990</u>	<u>414</u>	<u>1,648,404</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,590</u>	(414)	<u>\$ 2,176</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>2,590</u>	
Fund balance, end of year - June 30			<u>\$ 2,176</u>	

CDBG Recovery Grant

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

From Inception and for the Year Ended June 30, 2013

Schedule C-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
CDBG recovery grant	\$ 216,580	\$ 216,580	\$ -	\$ 216,580
Expenditures				
Administration	21,650	21,386	-	21,386
Public service	30,000	29,302	-	29,302
Operations	<u>164,930</u>	<u>166,180</u>	<u>-</u>	<u>166,180</u>
Total expenditures	<u>216,580</u>	<u>216,868</u>	<u>-</u>	<u>216,868</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (288)</u>	<u>-</u>	<u>\$ (288)</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>(288)</u>	
Fund balance, end of year - June 30			<u>\$ (288)</u>	

Byrne-JAG Grant Recovery

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013**

Schedule C-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Byrne-JAG recovery grant	\$ 490,323	\$ 490,323	\$ -	\$ 490,323
Investment earnings	<u>-</u>	<u>33</u>	<u>-</u>	<u>33</u>
Total revenues	<u>490,323</u>	<u>490,356</u>	<u>-</u>	<u>490,356</u>
Expenditures				
Operating	63,193	50,482	10,849	61,331
Capital outlay	<u>427,130</u>	<u>422,928</u>	<u>4,338</u>	<u>427,266</u>
Total expenditures	<u>490,323</u>	<u>473,410</u>	<u>15,187</u>	<u>488,597</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,946</u>	<u>(15,187)</u>	<u>\$ 1,759</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>16,946</u>	
Fund balance, end of year - June 30			<u>\$ 1,759</u>	

Energy Efficiency Recovery Grant

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule C-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Energy efficiency recovery grant	\$ 777,600	\$ 355,773	\$ 137,199	\$ 492,972
Investment income	-	17	-	17
Total revenues	<u>777,600</u>	<u>355,790</u>	<u>137,199</u>	<u>492,989</u>
Expenditures				
Administration	25,000	1,773	-	1,773
Operations	752,600	97,516	134,200	231,716
Total expenditures	<u>777,600</u>	<u>99,289</u>	<u>134,200</u>	<u>233,489</u>
Revenues over (under) expenditures	<u>-</u>	<u>256,501</u>	<u>2,999</u>	<u>259,500</u>
Other financing sources (uses)				
Transfers from other funds	275,000	275,000	-	275,000
Transfers to other funds	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>	<u>(275,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 256,501</u>	<u>2,999</u>	<u>\$ 259,500</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>256,501</u>	
Fund balance, end of year - June 30			<u>\$ 259,500</u>	

COPS Hiring Recovery Program Grant

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

From Inception and for the Year Ended June 30, 2013

Schedule C-12

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
COPS hiring recovery grant	\$ 1,211,803	\$ 1,078,494	\$ 504,378	\$ 1,582,872
Investment income	-	1	-	1
Total revenues	<u>1,211,803</u>	<u>1,078,495</u>	<u>504,378</u>	<u>1,582,873</u>
Expenditures				
Operations	<u>1,621,180</u>	<u>1,137,517</u>	<u>457,744</u>	<u>1,595,261</u>
Revenues over (under) expenditures	<u>(409,377)</u>	<u>(59,022)</u>	<u>46,634</u>	<u>(12,388)</u>
Other financing sources				
Transfers from other funds	<u>409,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (59,022)</u>	<u>46,634</u>	<u>\$ (12,388)</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>(59,022)</u>	
Fund balance, end of year - June 30			<u>\$ (12,388)</u>	

Centralized Grant Project

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule C-13

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal and State grants	\$ 1,074,160	\$ 195,552	\$ 550,835	\$ 746,387
Investment income	-	1	-	1
Other revenue	-	-	2,100	2,100
Total revenues	<u>1,074,160</u>	<u>195,553</u>	<u>552,935</u>	<u>748,488</u>
Expenditures				
Operating	858,152	216,495	344,632	561,127
Capital outlay	295,294	7,675	3,509	11,184
Total expenditures	<u>1,153,446</u>	<u>224,170</u>	<u>348,141</u>	<u>572,311</u>
Revenues over (under) expenditures	(79,286)	(28,617)	204,794	176,177
Other financing sources (uses)				
Transfers from other funds	79,286	50,536	28,750	79,286
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,919</u>	233,544	<u>\$ 255,463</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>21,919</u>	
Fund balance, end of year - June 30			<u>\$ 255,463</u>	

Hurricane Irene FEMA Grant

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013**

Schedule C-14

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
FEMA grant funds	\$ 1,264,112	\$ 985,775	\$ 1,486	\$ 987,261
NCEM grant funds	538,688	338,389	-	338,389
Other revenues	-	267,188	-	267,188
Total revenues	<u>1,802,800</u>	<u>1,591,352</u>	<u>1,486</u>	<u>1,592,838</u>
Expenditures				
Debris removal	1,044,544	1,053,634	-	1,053,634
Property & casualty loss	500,000	216,789	239,801	456,590
Total expenditures	<u>1,544,544</u>	<u>1,270,423</u>	<u>239,801</u>	<u>1,510,224</u>
Revenues over (under) expenditures	258,256	320,929	(238,315)	82,614
Other financing sources (uses)				
Transfers from other funds	(258,256)	(258,271)	-	(258,271)
Net change in fund balance	<u>\$ -</u>	<u>\$ 62,658</u>	(238,315)	<u>\$ (175,657)</u>
Fund balance				
Fund balance, beginning of year - July 1			<u>62,658</u>	
Fund balance, end of year - June 30			<u>\$ (175,657)</u>	

capital project fund

The purpose of the Capital Project Fund is to account for the financial resources related to the acquisition of capital assets. The budget shown in the accompanying supplementary information is adopted for the life of the project. Proprietary fund capital projects are not reflected in the Capital Project Funds, but in the respective enterprise funds. During June 30, 2013, the City had the following projects, showing activity, in the Capital Project Funds:

Cemetery Development Project - established to account for funds to be used for the purchase and renovation of land for cemetery use.

Affordable House Project - established to account for the funds that will increase opportunities for working families to become homeowners.

West Greenville Revitalization - This project involves revitalization of the West Greenville neighborhood. The City has undertaken an aggressive neighborhood revitalization project, committing all of its entitled Community Development Block Grant (CDBG) and HOME Funds for the next eight years.

Center City Revitalization - established to fund potential projects under discussion include a Performing Arts Center, a hotel/alumni center, land acquisitions for joint university/city projects, infrastructure improvements and joint use parking structures.

Stantonsburg Road / 10th Street Connector - involves the extension of Tenth Street on new locations to Stantonsburg Road at Memorial Drive with a grade separation at the CSX Railroad near Dickinson Avenue.

South Tar River Greenway - involves the planning, design, and construction of a joint use bikeway/greenway along the south side of the Tar River.

Wayfinding Community Development Project - used around the City purchase and creation of city signage within city limits.

Thomas Langston Road Extension Project - established as part of the 2004 bond referendum for transportation improvements.

Intermodal Transportation Center Project - established to account for funds used to provide for feasibility study, design, and construction of an Intermodal Transportation Center serving all transportation needs.

Employee Parking Lot Expansion Project - established to account for funds used to expand and improve the employee parking lot located south of the Police-Fire/Rescue Headquarters building on the Pitt Street-Greene Street Connector.

Convention Center Expansion - established to account for funds used to construct the addition of 150 parking spaces along with other improvements.

Community Oriented Policing Service Project - established to account for funds used to purchase a radio system that supports interoperability among Greenville Police, Pitt County Sheriff's Office, and other public safety agencies in Pitt County.

Technology for Public Safety Project - established to account for funds used to purchase a public safety software system.

Emergency Operation Center - established to account for funds used in the construction of a new emergency operations center.

Drew Steele Center - established to account for funds to renovate the Elm Street Gym and create the Drew Steele Center, which will be a modern, accessible, multi-use recreation facility, open to all, but will serve as the focal point for the development of City services and programs for those with special needs.

Capital Reserve Fund - used to accumulate funds to be used for future capital improvements. These improvements consist of construction and other capital projects.

capital project fund

King George Bridge Capital Project - established to account for funds used to replace the obsolete bridge on King George road in the Brook Valley neighborhood.

Green Mill Greenway Project - established to account for funds used to extend the Green Mill Greenway from its current end on Charles Boulevard to Evans Park on Arlington Boulevard.

Dream Park Capital Project - established to account for funds used to design and construct a community park and sprayground in the West Greenville community.

Energy Savings Equipment Project - established to account for funds used to provide improvements to City facilities to make them more energy efficient.

Downtown Parking Deck - established to account for funds used to design and construct a parking deck in the city's downtown area.

**Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2013**

	<u>Cemetery Development Fund</u>	<u>Affordable Housing Project</u>	<u>West Greenville Revitalization</u>	<u>Center City Revitalization</u>	<u>Stantonsburg Road / 10th St Connector</u>	<u>South Tar River Greenway</u>
Assets						
Cash and cash equivalents	\$ 9,131	\$ 493,858	\$ 346,722	\$ 300,546	\$ 408,470	\$ 14,069
Accounts receivable, net	-	361,408	6,729	92	-	-
Due from other governments	-	12	-	-	-	-
Restricted cash and investments	-	-	-	1,057,749	-	-
Total assets	<u>\$ 9,131</u>	<u>\$ 855,278</u>	<u>\$ 353,451</u>	<u>\$ 1,358,387</u>	<u>\$ 408,470</u>	<u>\$ 14,069</u>
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 33,845	\$ 48	\$ -	\$ -	\$ -
Advances from grantors	-	-	-	-	-	9,369
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>33,845</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>9,369</u>
Deferred inflows of resources						
Loans receivable	-	361,408	-	-	-	-
Fund balances						
Restricted						
Stabilization by State Statute	-	12	6,729	92	-	-
Restricted for general government	-	-	-	-	-	-
Restricted for economic development	-	-	-	1,057,749	-	-
Committed						
Committed for culture and recreation	-	-	-	-	-	4,700
Committed for public safety	-	-	-	-	-	-
Committed for economic development	9,131	460,013	346,674	300,546	408,470	-
Committed for capital outlays	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>9,131</u>	<u>460,025</u>	<u>353,403</u>	<u>1,358,387</u>	<u>408,470</u>	<u>4,700</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,131</u>	<u>\$ 855,278</u>	<u>\$ 353,451</u>	<u>\$ 1,358,387</u>	<u>\$ 408,470</u>	<u>\$ 14,069</u>

Way Finding Community Development	Thomas Langston Road Extension Project	Intermodal Transportation Center Project	Employee Parking Lot Expansion Project	Convention Center Expansion Project	Community Oriented Policing Service Project	Technology for Public Safety Project	Emergency Operations Center Project	Drew Steele Center
\$ 50,835	\$ -	\$ 609,560	\$ 3,427	\$ 810,806	\$ -	\$ 294,371	\$ -	\$ 9,698
-	-	4,909	-	-	-	-	-	-
-	65,744	-	121	-	1,830	-	13,772	2,002
-	-	-	-	-	-	-	-	-
<u>\$ 50,835</u>	<u>\$ 65,744</u>	<u>\$ 614,469</u>	<u>\$ 3,548</u>	<u>\$ 810,806</u>	<u>\$ 1,830</u>	<u>\$ 294,371</u>	<u>\$ 13,772</u>	<u>\$ 11,700</u>
\$ -	\$ -	\$ 1,000	\$ -	\$ 145,729	\$ -	\$ -	\$ 190,576	\$ -
-	-	-	-	-	-	-	-	-
-	261,872	-	-	-	264,798	-	130,242	-
-	261,872	1,000	-	145,729	264,798	-	320,818	-
-	-	-	-	-	-	-	-	-
-	65,744	4,909	121	-	1,830	-	13,772	2,002
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	294,371	-	-
50,835	-	608,560	3,427	665,077	-	-	-	9,698
-	-	-	-	-	-	-	-	-
-	(261,872)	-	-	-	(264,798)	-	(320,818)	-
<u>50,835</u>	<u>(196,128)</u>	<u>613,469</u>	<u>3,548</u>	<u>665,077</u>	<u>(262,968)</u>	<u>294,371</u>	<u>(307,046)</u>	<u>11,700</u>
<u>\$ 50,835</u>	<u>\$ 65,744</u>	<u>\$ 614,469</u>	<u>\$ 3,548</u>	<u>\$ 810,806</u>	<u>\$ 1,830</u>	<u>\$ 294,371</u>	<u>\$ 13,772</u>	<u>\$ 11,700</u>

Nonmajor Capital Projects Funds (Continued)

Combining Balance Sheet

June 30, 2013

Schedule D-1

Page 2 of 2

	<u>Capital Reserve Fund</u>	<u>King George Bridge Capital Project</u>	<u>Green Mill Greenway Project</u>	<u>Dream Park Capital Project</u>	<u>Energy Savings Equipment Project</u>	<u>Total</u>
Assets						
Cash and cash equivalents	\$ 2,019,768	\$ 220,989	\$ 843,036	\$ 292,652	\$ 204,758	\$ 6,932,696
Accounts receivable, net	-	-	-	-	-	373,138
Due from other governments	-	-	-	-	1,006	84,487
Restricted cash and investments	-	-	-	-	488,636	1,546,385
Total assets	<u>\$ 2,019,768</u>	<u>\$ 220,989</u>	<u>\$ 843,036</u>	<u>\$ 292,652</u>	<u>\$ 694,400</u>	<u>\$ 8,936,706</u>
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 249,448	\$ 205,037	\$ 825,683
Advances from grantors	-	119,989	141,424	-	-	270,782
Due to other funds	-	-	-	-	-	656,912
Total liabilities	<u>-</u>	<u>119,989</u>	<u>141,424</u>	<u>249,448</u>	<u>205,037</u>	<u>1,753,377</u>
Deferred inflows of resources						
Loans receivable	-	-	-	-	-	361,408
Fund balances						
Restricted						
Stabilization by State Statute	-	-	-	-	1,006	96,217
Restricted for general government	-	-	-	-	488,636	488,636
Restricted for economic development	-	-	-	-	-	1,057,749
Committed						
Committed for culture and recreation	-	-	701,612	-	-	706,312
Committed for public safety	-	-	-	-	-	294,371
Committed for economic development	-	101,000	-	43,204	-	3,006,635
Committed for capital outlays	2,019,768	-	-	-	-	2,019,768
Unassigned	-	-	-	-	(279)	(847,767)
Total fund balances	<u>2,019,768</u>	<u>101,000</u>	<u>701,612</u>	<u>43,204</u>	<u>489,363</u>	<u>6,821,921</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,019,768</u>	<u>\$ 220,989</u>	<u>\$ 843,036</u>	<u>\$ 292,652</u>	<u>\$ 694,400</u>	<u>\$ 8,936,706</u>

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Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

	<u>Cemetery Development Fund</u>	<u>Affordable Housing Project</u>	<u>West Greenville Revitalization</u>	<u>Center City Revitalization</u>	<u>Stantonsburg Road/ 10th Street Connector</u>	<u>South Tar River Greenway</u>
Revenues						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-
Investment earnings	-	-	1,338	1,957	-	-
Other revenues	-	36,827	39,205	-	44,850	-
Total revenues	<u>-</u>	<u>36,827</u>	<u>40,543</u>	<u>1,957</u>	<u>44,850</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-
Economic and physical development	5,734	29,929	15,274	477,033	16,628	-
Total expenditures	<u>5,734</u>	<u>29,929</u>	<u>15,274</u>	<u>477,033</u>	<u>16,628</u>	<u>-</u>
Revenues over (under) expenditures	<u>(5,734)</u>	<u>6,898</u>	<u>25,269</u>	<u>(475,076)</u>	<u>28,222</u>	<u>-</u>
Other financing sources (uses)						
Long-term debt issued	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Transfer to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(5,734)</u>	<u>6,898</u>	<u>25,269</u>	<u>(475,076)</u>	<u>28,222</u>	<u>-</u>
Fund balances						
Fund balances, beginning of year - July 1	14,865	453,127	328,134	1,833,463	380,248	4,700
Fund balances, end of year - June 30	<u>\$ 9,131</u>	<u>\$ 460,025</u>	<u>\$ 353,403</u>	<u>\$ 1,358,387</u>	<u>\$ 408,470</u>	<u>\$ 4,700</u>

Way Finding Community Development	Thomas Langston Road Extension Project	Intermodal Transportation Center Project	Employee Parking Lot Expansion Project	Convention Center Expansion Project	Community Oriented Policing Service Project	Technology for Public Safety Project	Emergency Operations Center Project	Drew Steele Center
\$ -	\$ -	\$ 113,322	\$ -	\$ -	\$ -	\$ -	\$ 152,232	\$ 209,019
-	-	-	-	217,252	-	-	-	-
-	393	-	-	-	-	-	-	-
-	-	-	-	5,000	-	-	-	-
-	393	113,322	-	222,252	-	-	152,232	209,019
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	32,761	825,930	-
-	-	-	-	-	-	-	-	-
15,004	157,865	123,575	4,259	5,445	-	-	-	234,375
15,004	157,865	123,575	4,259	5,445	-	32,761	825,930	234,375
(15,004)	(157,472)	(10,253)	(4,259)	216,807	-	(32,761)	(673,698)	(25,356)
-	-	-	-	-	-	-	-	-
52,906	-	-	-	-	-	-	48,700	-
-	-	-	-	-	-	-	-	(25,000)
52,906	-	-	-	-	-	-	48,700	(25,000)
37,902	(157,472)	(10,253)	(4,259)	216,807	-	(32,761)	(624,998)	(50,356)
12,933	(38,656)	623,722	7,807	448,270	(262,968)	327,132	317,952	62,056
\$ 50,835	\$ (196,128)	\$ 613,469	\$ 3,548	\$ 665,077	\$ (262,968)	\$ 294,371	\$ (307,046)	\$ 11,700

Nonmajor Capital Projects Funds (Continued)
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2013

Schedule D-2
 Page 2 of 2

	Capital Reserve Fund	King George Bridge Capital Project	Green Mill Greenway Project	Dream Park Capital Project	Energy Savings Equipment Project	Downtown Parking Total
Revenues						
Restricted intergovernmental	\$ -	\$ 244	\$ 108,188	\$ -	\$ -	\$ 583,005
Other taxes and licenses	-	-	-	-	-	217,252
Investment earnings	168	-	-	-	727	4,583
Other revenues	-	-	-	-	-	125,882
Total revenues	<u>168</u>	<u>244</u>	<u>108,188</u>	<u>-</u>	<u>727</u>	<u>930,722</u>
Expenditures						
Current:						
General government	-	-	-	-	2,102,736	2,102,736
Public safety	-	-	-	-	-	858,691
Cultural and recreational	-	-	157,326	-	-	157,326
Economic and physical development	-	244	-	766,637	-	1,852,002
Total expenditures	<u>-</u>	<u>244</u>	<u>157,326</u>	<u>766,637</u>	<u>2,102,736</u>	<u>4,970,755</u>
Revenues over (under) expenditures	<u>168</u>	<u>-</u>	<u>(49,138)</u>	<u>(766,637)</u>	<u>(2,102,009)</u>	<u>(4,040,033)</u>
Other financing sources (uses)						
Long-term debt issued	-	-	-	-	2,591,372	2,591,372
Transfers from other funds	12,591	-	68,790	809,841	-	992,828
Transfer to other funds	(320,000)	-	-	-	-	(345,000)
Total other financing sources (uses)	<u>(307,409)</u>	<u>-</u>	<u>68,790</u>	<u>809,841</u>	<u>2,591,372</u>	<u>3,239,200</u>
Net change in fund balances	<u>(307,241)</u>	<u>-</u>	<u>19,652</u>	<u>43,204</u>	<u>489,363</u>	<u>(800,833)</u>
Fund balances						
Fund balances, beginning of year - July 1	2,327,009	101,000	681,960	-	-	7,622,754
Fund balances, end of year - June 30	<u>\$ 2,019,768</u>	<u>\$ 101,000</u>	<u>\$ 701,612</u>	<u>\$ 43,204</u>	<u>\$ 489,363</u>	<u>\$ 6,821,921</u>

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Cemetery Development

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule D-3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Special Federal/State/Local grants	\$ 107,520	\$ 107,521	\$ -	\$ 107,521
Interest earnings	<u>12,243</u>	<u>12,344</u>	<u>-</u>	<u>12,344</u>
Total revenues	<u>119,763</u>	<u>119,865</u>	<u>-</u>	<u>119,865</u>
Expenditures				
Capital improvements	<u>404,763</u>	<u>390,000</u>	<u>5,734</u>	<u>395,734</u>
Revenues over (under) expenditures	<u>(285,000)</u>	<u>(270,135)</u>	<u>(5,734)</u>	<u>(275,869)</u>
Other Financing Sources (Uses)				
Bonds issued	75,000	75,000	-	75,000
Transfer to General Fund	(10,000)	(10,000)	-	(10,000)
Transfer from General Fund	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total other financing sources (uses)	<u>285,000</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,865</u>	<u>(5,734)</u>	<u>\$ 9,131</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>14,865</u>	
Fund balance, end of year - June 30			<u>\$ 9,131</u>	

Affordable Housing

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

From Inception and for the Year Ended June 30, 2013

Schedule D-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earnings	\$ 180,500	\$ 190,930	\$ -	\$ 190,930
Loan payments	492,100	233,251	36,827	270,078
Sale of property	<u>1,706,000</u>	<u>1,714,049</u>	<u>-</u>	<u>1,714,049</u>
Total revenues	<u>2,378,600</u>	<u>2,138,230</u>	<u>36,827</u>	<u>2,175,057</u>
Expenditures				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	2,421,151	2,117,366	15,327	2,132,693
Land banking	1,083,000	831,327	14,602	845,929
Rehabilitation	<u>393,100</u>	<u>255,536</u>	<u>-</u>	<u>255,536</u>
Total expenditures	<u>3,903,600</u>	<u>3,210,578</u>	<u>29,929</u>	<u>3,240,507</u>
Revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(1,072,348)</u>	<u>6,898</u>	<u>(1,065,450)</u>
Other Financing Sources (Uses)				
Bonds issued	1,000,000	1,000,475	-	1,000,475
Transfer from General Fund	<u>525,000</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Total other financing sources (uses)	<u>1,525,000</u>	<u>1,525,475</u>	<u>-</u>	<u>1,525,475</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 453,127</u>	<u>6,898</u>	<u>\$ 460,025</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>453,127</u>	
Fund balance, end of year - June 30			<u>\$ 460,025</u>	

West Greenville Revitalization

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule D-5

	Project Authorization	Prior Years	Current Year	Total
Revenues				
Other income	\$ 439,817	\$ 430,062	\$ 1,000	\$ 431,062
Sales and services	382,020	448,160	38,205	486,365
Interest earnings	203,058	123,187	1,338	124,525
Total revenues	<u>1,024,895</u>	<u>1,001,409</u>	<u>40,543</u>	<u>1,041,952</u>
Expenditures				
Acquisition	2,830,367	2,625,107	-	2,625,107
Demolition	404,279	404,280	-	404,280
Construction	605,175	580,175	-	580,175
Infrastructure	1,404,015	1,307,014	14,150	1,321,164
Development financing	194,266	193,661	-	193,661
Relocation assistance	268,518	268,518	631	269,149
Owner occupied rehabilitation	213,035	213,124	493	213,617
Furnishings	44,968	44,968	-	44,968
Bond administration	60,272	60,271	-	60,271
Total expenditures	<u>6,024,895</u>	<u>5,697,118</u>	<u>15,274</u>	<u>5,712,392</u>
Revenues over (under) expenditures	<u>(5,000,000)</u>	<u>(4,695,709)</u>	<u>25,269</u>	<u>(4,670,440)</u>
Other Financing Sources (Uses)				
Premium received on debt issue	-	23,843	-	23,843
Bonds issued	5,000,000	5,000,000	-	5,000,000
Total other financing sources (uses)	<u>5,000,000</u>	<u>5,023,843</u>	<u>-</u>	<u>5,023,843</u>
Net change in fund balance	<u>-</u>	<u>328,134</u>	<u>25,269</u>	<u>353,403</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>328,134</u>	
Fund balance, end of year - June 30			<u>\$ 353,403</u>	

Center City Revitalization

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

From Inception and for the Year Ended June 30, 2013

Schedule D-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Restricted intergovernmental	\$ 32,500	\$ 25,250	\$ -	\$ 25,250
Interest earnings	<u>273,013</u>	<u>273,431</u>	<u>1,957</u>	<u>275,388</u>
Total revenues	<u>305,513</u>	<u>298,681</u>	<u>1,957</u>	<u>300,638</u>
Expenditures				
Acquisition	935,000	684,999	184,134	869,133
Infrastructure	3,851,015	2,438,764	261,499	2,700,263
Construction	223,112	86,707	1,400	88,107
Development financing	269,896	209,895	30,000	239,895
Bond administration	<u>51,394</u>	<u>69,757</u>	<u>-</u>	<u>69,757</u>
Total expenditures	<u>5,330,417</u>	<u>3,490,122</u>	<u>477,033</u>	<u>3,967,155</u>
Revenues over (under) expenditures	<u>(5,024,904)</u>	<u>(3,191,441)</u>	<u>(475,076)</u>	<u>(3,666,517)</u>
Other Financing Sources (Uses)				
Premium received on debt issue	24,904	24,904	-	24,904
Bonds issued	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Total other financing sources (uses)	<u>5,024,904</u>	<u>5,024,904</u>	<u>-</u>	<u>5,024,904</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,833,463</u>	<u>(475,076)</u>	<u>\$ 1,358,387</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>1,833,463</u>	
Fund balance, end of year - June 30			<u>\$ 1,358,387</u>	

Statonsburg Road / 10th Street Connector

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

From Inception and for the Year Ended June 30, 2013

Schedule D-7

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Restricted intergovernmental revenue	\$ 4,000,000	\$ 3,050,002	\$ -	\$ 3,050,002
Interest earnings	22,000	2,225	-	2,225
Other income	-	-	44,850	44,850
Total revenues	<u>4,022,000</u>	<u>3,052,227</u>	<u>44,850</u>	<u>3,097,077</u>
Expenditures				
Bond administration cost	22,000	55,610	-	55,610
Engineering	<u>6,000,000</u>	<u>5,585,106</u>	<u>16,628</u>	<u>5,601,734</u>
Total expenditures	<u>6,022,000</u>	<u>5,640,716</u>	<u>16,628</u>	<u>5,657,344</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(2,588,489)</u>	<u>28,222</u>	<u>(2,560,267)</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	943,000	-	943,000
Bonds issued	<u>2,000,000</u>	<u>2,025,737</u>	<u>-</u>	<u>2,025,737</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,968,737</u>	<u>-</u>	<u>2,968,737</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 380,248</u>	<u>28,222</u>	<u>\$ 408,470</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>380,248</u>	
Fund balance, end of year - June 30			<u>\$ 408,470</u>	

South Tar River Greenway

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

From Inception and for the Year Ended June 30, 2013

Schedule D-8

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal and State grants	\$ 1,480,000	\$ 1,435,516	\$ -	\$ 1,435,516
Other income	<u>-</u>	<u>3,700</u>	<u>-</u>	<u>3,700</u>
Total revenues	<u>1,480,000</u>	<u>1,439,216</u>	<u>-</u>	<u>1,439,216</u>
Expenditures				
Construction	1,268,000	1,265,284	-	1,265,284
Engineering	163,000	171,113	-	171,113
Right of way	<u>50,000</u>	<u>(881)</u>	<u>-</u>	<u>(881)</u>
Total expenditures	<u>1,481,000</u>	<u>1,435,516</u>	<u>-</u>	<u>1,435,516</u>
Revenues over (under) expenditures	<u>(1,000)</u>	<u>3,700</u>	<u>-</u>	<u>3,700</u>
Other Financing Sources (Uses)				
Transfers from other funds	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,700</u>	<u>-</u>	<u>\$ 4,700</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>4,700</u>	
Fund balance, end of year - June 30			<u>\$ 4,700</u>	

Way Finding Community Development

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

From Inception and for the Year Ended June 30, 2013

Schedule D-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earnings	\$ 2,536	\$ 2,537	\$ -	\$ 2,537
Expenditures				
Construction	271,142	205,304	15,004	220,308
Revenues over (under) expenditures	(268,606)	(202,767)	(15,004)	(217,771)
Other Financing Sources (Uses)				
Transfers to other funds	(40,000)	(40,000)	-	(40,000)
Transfers from other funds	308,606	255,700	52,906	308,606
Total other financing sources (uses)	<u>268,606</u>	<u>215,700</u>	<u>52,906</u>	<u>268,606</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,933</u>	37,902	<u>\$ 50,835</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>12,933</u>	
Fund balance, end of year - June 30			<u>\$ 50,835</u>	

Thomas Langston Road Extension

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

From Inception and for the Year Ended June 30, 2013

Schedule D-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal and State grants	\$ 705,968	\$ 52,667	\$ -	\$ 52,667
Interest earnings	11,440	5,601	393	5,994
Other income	-	104,167	-	104,167
Total revenues	<u>717,408</u>	<u>162,435</u>	<u>393</u>	<u>162,828</u>
Expenditures				
Engineering	615,299	508,976	-	508,976
Bond Administration Expense	36,803	38,886	-	38,886
Construction	<u>3,328,745</u>	<u>2,918,047</u>	<u>157,865</u>	<u>3,075,912</u>
Total expenditures	<u>3,980,847</u>	<u>3,465,909</u>	<u>157,865</u>	<u>3,623,774</u>
Revenues over (under) expenditures	<u>(3,263,439)</u>	<u>(3,303,474)</u>	<u>(157,472)</u>	<u>(3,460,946)</u>
Other Financing Sources (Uses)				
Bonds issued	2,896,803	2,896,803	-	2,896,803
Transfers from other funds	<u>366,636</u>	<u>368,015</u>	<u>-</u>	<u>368,015</u>
Total other financing sources (uses)	<u>3,263,439</u>	<u>3,264,818</u>	<u>-</u>	<u>3,264,818</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (38,656)</u>	<u>(157,472)</u>	<u>\$ (196,128)</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>(38,656)</u>	
Fund balance, end of year - June 30			<u>\$ (196,128)</u>	

Intermodal Transport Center

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

From Inception and for the Year Ended June 30, 2013

Schedule D-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal Transit Administration grant	\$ 950,500	\$ 206,026	\$ 113,322	\$ 319,348
Interest earnings	-	113	-	113
Total revenues	<u>950,500</u>	<u>206,139</u>	<u>113,322</u>	<u>319,461</u>
Expenditures				
Construction	<u>1,685,618</u>	<u>235,252</u>	<u>123,575</u>	<u>358,827</u>
Revenues over (under) expenditures	(735,118)	(29,113)	(10,253)	(39,366)
Other Financing Sources (Uses)				
Transfers from other funds	<u>735,118</u>	<u>652,835</u>	-	<u>652,835</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 623,722</u>	(10,253)	<u>\$ 613,469</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>623,722</u>	
Fund balance, end of year - June 30			<u>\$ 613,469</u>	

Employee Parking Lot Expansion

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

From Inception and for the Year Ended June 30, 2013

Schedule D-12

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earnings	\$ 1,486	\$ 1,487	\$ -	\$ 1,487
Expenditures				
Renovations	168,880	161,073	4,259	165,332
Revenues over (under) expenditures	(167,394)	(159,586)	(4,259)	(163,845)
Other Financing Sources (Uses)				
Sale of property	175,500	175,500	-	175,500
Transfers from other funds	266,894	266,893	-	266,893
Transfers to other funds	(275,000)	(275,000)	-	(275,000)
Total other financing sources (uses)	<u>167,394</u>	<u>167,393</u>	<u>-</u>	<u>167,393</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,807</u>	(4,259)	<u>\$ 3,548</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>7,807</u>	
Fund balance, end of year - June 30			<u>\$ 3,548</u>	

Convention Center Expansion

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule D-13

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal and state grants	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Occupancy taxes	1,062,202	1,399,485	217,252	1,616,737
Interest earnings	-	1,070	-	1,070
Other revenue	-	40,342	5,000	45,342
Total revenues	<u>1,092,202</u>	<u>1,470,897</u>	<u>222,252</u>	<u>1,693,149</u>
Expenditures				
Allocation to Convention and Visitor Authority	95,354	223,566	-	223,566
Construction	2,766,119	2,568,332	5,445	2,573,777
Total expenditures	<u>2,861,473</u>	<u>2,791,898</u>	<u>5,445</u>	<u>2,797,343</u>
Revenues over (under) expenditures	<u>(1,769,271)</u>	<u>(1,321,001)</u>	<u>216,807</u>	<u>(1,104,194)</u>
Other financing sources (uses)				
Transfers from other funds	1,769,271	1,769,271	-	1,769,271
Total other financing sources (uses)	<u>1,769,271</u>	<u>1,769,271</u>	<u>-</u>	<u>1,769,271</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 448,270</u>	<u>216,807</u>	<u>\$ 665,077</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>448,270</u>	
Fund balance, end of year - June 30			<u>\$ 665,077</u>	

Community Oriented Policing Services (COPS)

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

From Inception and for the Year Ended June 30, 2013

Schedule D-14

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal and State grants	\$ 3,308,159	\$ 3,033,284	\$ -	\$ 3,033,284
Interest earnings	-	1,862	-	1,862
Total revenues	<u>3,308,159</u>	<u>3,035,146</u>	<u>-</u>	<u>3,035,146</u>
Expenditures				
Administration	2,369,790	2,280,964	-	2,280,964
Capital outlay	1,600,000	1,678,781	-	1,678,781
Total expenditures	<u>3,969,790</u>	<u>3,959,745</u>	<u>-</u>	<u>3,959,745</u>
Revenues over (under) expenditures	<u>(661,631)</u>	<u>(924,599)</u>	<u>-</u>	<u>(924,599)</u>
Other financing sources (uses)				
Transfers from other funds	<u>661,631</u>	<u>661,631</u>	<u>-</u>	<u>661,631</u>
Total other financing sources (uses)	<u>661,631</u>	<u>661,631</u>	<u>-</u>	<u>661,631</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (262,968)</u>	<u>-</u>	<u>\$ (262,968)</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>(262,968)</u>	
Fund balance, end of year - June 30			<u>\$ (262,968)</u>	

New Technology for Public Safety

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

From Inception and for the Year Ended June 30, 2013

Schedule D-15

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earnings	\$ -	\$ 6,184	\$ -	\$ 6,184
Other revenue	-	120	-	120
Total revenues	<u>-</u>	<u>6,304</u>	<u>-</u>	<u>6,304</u>
Expenditures				
Testing	2,093,957	1,885,212	1,215	1,886,427
Capital outlay	710,043	516,030	31,546	547,576
Total expenditures	<u>2,804,000</u>	<u>2,401,242</u>	<u>32,761</u>	<u>2,434,003</u>
Revenues over (under) expenditures	<u>(2,804,000)</u>	<u>(2,394,938)</u>	<u>(32,761)</u>	<u>(2,427,699)</u>
Other financing sources (uses)				
Transfers to other funds	(680,000)	(761,930)	-	(761,930)
Transfers from other funds	3,484,000	3,484,000	-	3,484,000
Total other financing sources (uses)	<u>2,804,000</u>	<u>2,722,070</u>	<u>-</u>	<u>2,722,070</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 327,132</u>	<u>(32,761)</u>	<u>\$ 294,371</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>327,132</u>	
Fund balance, end of year - June 30			<u>\$ 294,371</u>	

Emergency Operations Center

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

From Inception and for the Year Ended June 30, 2013

Schedule D-16

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Homeland Security grant	\$ 600,000	\$ -	152,232	\$ 152,232
Expenditures				
Construction	1,048,700	82,048	825,930	907,978
Revenues over (under) expenditures	(448,700)	(82,048)	(673,698)	(755,746)
Other financing sources (uses)				
Transfers from other funds	448,700	400,000	48,700	448,700
Net change in fund balance	<u>\$ -</u>	<u>\$ 317,952</u>	(624,998)	<u>\$ (307,046)</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>317,952</u>	
Fund balance, end of year - June 30			<u>\$ (307,046)</u>	

Drew Steele Center

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013

Schedule D-17

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
PARTF grant	\$ 500,000	\$ 290,981	\$ 209,019	\$ 500,000
Investment earnings	-	60	-	60
Other revenue - donations	500,000	467,547	-	467,547
Total revenues	<u>1,000,000</u>	<u>758,588</u>	<u>209,019</u>	<u>967,607</u>
Expenditures				
Construction	1,442,349	1,163,881	234,375	1,398,256
Total expenditures	<u>1,442,349</u>	<u>1,163,881</u>	<u>234,375</u>	<u>1,398,256</u>
Revenues over (under) expenditures	<u>(442,349)</u>	<u>(405,293)</u>	<u>(25,356)</u>	<u>(430,649)</u>
Other financing sources (uses)				
Transfers from other funds	467,349	467,349	-	467,349
Transfers to other funds	(25,000)	-	(25,000)	(25,000)
Total other financing sources (uses)	<u>442,349</u>	<u>467,349</u>	<u>(25,000)</u>	<u>442,349</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 62,056</u>	<u>(50,356)</u>	<u>\$ 11,700</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>62,056</u>	
Fund balance, end of year - June 30			<u>\$ 11,700</u>	

Capital Reserve

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

For the Year Ended June 30, 2013

Schedule D-18

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues			
Investment earnings	\$ -	\$ 168	\$ 168
Revenues over (under) expenditures	-	168	168
Other financing sources (uses)			
Appropriated fund balance	320,000	-	(320,000)
Transfers from other funds	12,591	12,591	-
Transfers to other funds	<u>(332,591)</u>	<u>(320,000)</u>	<u>12,591</u>
Total other financing sources (uses)	<u>-</u>	<u>(307,409)</u>	<u>(307,409)</u>
Net change in fund balance	<u>\$ -</u>	<u>(307,241)</u>	<u>\$ (307,241)</u>
Fund Balance			
Fund balance, beginning of year - July 1		<u>2,327,009</u>	
Fund balance, end of year - June 30		<u>\$ 2,019,768</u>	

King George Bridge

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

From Inception and for the Year Ended June 30, 2013

Schedule D-19

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal Highway Administration grant	\$ 403,999	\$ -	\$ 244	\$ 244
Expenditures				
Construction	504,999	-	244	244
Revenues over (under) expenditures	(101,000)	-	-	-
Other financing sources (uses)				
Transfers from other funds	101,000	101,000	-	101,000
Net change in fund balance	<u>\$ -</u>	<u>\$ 101,000</u>	\$ -	<u>\$ 101,000</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>101,000</u>	
Fund balance, end of year - June 30			<u>\$ 101,000</u>	

Green Mill Greenway

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

From Inception and for the Year Ended June 30, 2013

Schedule D-20

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Federal Highway Administration grant	\$ 2,332,009	\$ -	\$ 108,188	\$ 108,188
Other revenue-donations	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total revenues	<u>2,332,009</u>	<u>50,000</u>	<u>108,188</u>	<u>158,188</u>
Expenditures				
Construction	<u>2,971,301</u>	<u>862</u>	<u>157,326</u>	<u>158,188</u>
Revenues over (under) expenditures	(639,292)	49,138	(49,138)	-
Other financing sources (uses)				
Transfers from other funds	<u>639,292</u>	<u>632,822</u>	<u>68,790</u>	<u>701,612</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 681,960</u>	19,652	<u>\$ 701,612</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>681,960</u>	
Fund balance, end of year - June 30			<u>\$ 701,612</u>	

Dream Park

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2013**

Schedule D-21

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures				
Construction	\$ 809,841	\$ -	\$ 766,637	\$ 766,637
Revenues over (under) expenditures	(809,841)	-	(766,637)	(766,637)
Other financing sources (uses)				
Transfers from other funds	809,841	-	809,841	809,841
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	43,204	<u>\$ 43,204</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>-</u>	
Fund balance, end of year - June 30			<u>\$ 43,204</u>	

Energy Savings Equipment

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

From Inception and for the Year Ended June 30, 2013

Schedule D-22

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 727	\$ 727
Expenditures				
Administration	-	-	20,000	20,000
Construction	2,591,373	-	2,082,736	2,082,736
Total expenditures	<u>2,591,373</u>	<u>-</u>	<u>2,102,736</u>	<u>2,102,736</u>
Revenues over (under) expenditures	(2,591,373)	-	(2,102,009)	(2,102,009)
Other financing sources (uses)				
Long-term debt issued	2,591,373	-	2,591,372	2,591,372
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	489,363	<u>\$ 489,363</u>
Fund Balance				
Fund balance, beginning of year - July 1			-	
Fund balance, end of year - June 30			<u>\$ 489,363</u>	

Downtown Parking Deck

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

From Inception and for the Year Ended June 30, 2013

Schedule D-23

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures				
Construction	\$ 4,026,240	\$ -	\$ -	\$ -
Revenues over (under) expenditures	(4,026,240)	-	-	-
Other financing sources (uses)				
Long-term debt issued	4,026,240	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance				
Fund balance, beginning of year - July 1			<u>-</u>	
Fund balance, end of year - June 30			<u>\$ -</u>	

debt service fund



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debt service fund

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

Nonmajor Debt Service Fund

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

For the Year Ended June 30, 2013

Schedule E-1

	2013		
	Budget	Actual	Variance Over/Under
Revenues			
Other taxes	\$ 509,589	\$ 591,792	\$ 82,203
Investment earnings	-	543	543
Total revenues	<u>509,589</u>	<u>592,335</u>	<u>82,746</u>
Expenditures			
Current:			
Principal retirement	13,212,543	12,613,973	598,570
Interest and fees	<u>1,484,352</u>	<u>2,010,321</u>	<u>(525,969)</u>
Total expenditures	<u>14,696,895</u>	<u>14,624,294</u>	<u>72,601</u>
Revenues over (under) expenditures	<u>(14,187,306)</u>	<u>(14,031,959)</u>	<u>155,347</u>
Other financing sources (uses)			
Transfers from other funds	3,987,306	3,795,423	(191,883)
Refunding debt issued	19,950,000	19,950,000	-
Payments to escrow agent	<u>(9,750,000)</u>	<u>(9,750,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>14,187,306</u>	<u>13,995,423</u>	<u>(191,883)</u>
Net change in fund balance	<u>\$ -</u>	<u>(36,536)</u>	<u>\$ (36,536)</u>
Fund Balance			
Fund balance, beginning of year - July 1		<u>979,357</u>	
Fund balance, end of year - June 30		<u>\$ 942,821</u>	

proprietary fund **financial statements**



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enterprise funds

Enterprise Funds are established to account for enterprise operations that are financed and operated in a manner similar to private business. The intent is that the cost of providing goods and services to the general public will be recovered primarily through user charges.

Major Funds

Electric Fund - established to account for the enterprise operation of providing power to the residents of the City.

Water Fund - established to account for the enterprise operation of providing water to the residents of the City.

Sewer Fund - established to account for the enterprise operation of providing sewer services to the residents of the City.

Gas Fund - established to account for the enterprise operation of providing natural gas to the residents of the City.

Non-Major Funds

Public Transportation Fund - established to account for the user charges, fees, federal contributions, and all operating costs associated with the operation of the transit system of the City.

Bradford Creek Golf Course Fund - established to account for the operations of the golf course located on Old Pactolus Road. This fund has been closed into the General Fund during fiscal year 2013.

Stormwater Utility Fund - established to account for the operations of the Stormwater Utility operated through the Public Works Department of the City. This fund has two affiliating capital project funds.

Stormwater Drainage Project - established to account for funds used in correcting drainage problems throughout the City. This is considered an enterprise fund capital project.

Stormwater Drainage Maintenance Improvement Project - established to account for funds used in the correction and maintenance of drainage issues for the southwest corridor of the City.

Sanitation Fund - established to account for the user charges, fees, and all operating costs associated with sanitation collection and maintenance operation of the City.

Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) -
 Electric Operating Fund - Major Enterprise Fund
 For the Year Ended June 30, 2013
 With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule F-1

	2013		Variance Over/Under
	Budget	Actual	
Revenues			
Operating revenues:			
Rates and charges	\$ 196,043,026	\$ 194,108,566	\$ (1,934,460)
Fees and charges	1,001,025	1,130,987	129,962
U.G. temp service charges	95,160	102,255	7,095
Miscellaneous	484,836	504,564	19,728
Total operating revenues	<u>197,624,047</u>	<u>195,846,372</u>	<u>(1,777,675)</u>
Non-operating revenues			
Interest on investments	135,000	116,277	(18,723)
Miscellaneous	1,888,657	1,833,388	(55,269)
Total non-operating revenues	<u>2,023,657</u>	<u>1,949,665</u>	<u>(73,992)</u>
Total revenues	<u>199,647,704</u>	<u>197,796,037</u>	<u>(1,851,667)</u>
Expenditures			
Electric fund			
Maintenance and repairs	-	4,022,220	-
Other operating expenses	-	183,835,516	-
Capital outlay	-	6,023,435	-
Debt service	-	2,944,957	-
Total expenditures	<u>200,575,697</u>	<u>196,826,128</u>	<u>3,749,569</u>
Excess of revenues over expenditures	<u>(927,993)</u>	<u>969,909</u>	<u>1,897,902</u>
Other financing sources (uses)			
Installment purchase	927,993	945,064	17,071
Intrafund transfers	-	(1,466,366)	(1,466,366)
Total other financing sources (uses)	<u>927,993</u>	<u>(521,302)</u>	<u>(1,449,295)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 448,607</u>	<u>\$ 448,607</u>
Reconciliation to full accrual basis from modified accrual basis:			
Revenues over expenditures		\$ 448,607	
Budgetary appropriations, capital		6,023,435	
Budgetary appropriations, debt principal		1,937,570	
Depreciation		(7,361,238)	
Debt issued		(945,064)	
Amortization of bond premium and discount		(25,927)	
Changes in accrued interest payable		29,348	
Intra-fund transfers		1,466,366	
Changes in OPEB liability		(421,334)	
Revenue recognized in capital projects		(9,485)	
Total reconciling items		<u>693,671</u>	
Changes in net position		<u>\$ 1,142,278</u>	

Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) -
 Water Operating Fund - Major Enterprise Fund
 For the Year Ended June 30, 2013
 With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule F-2

	2013		Variance Over/Under
	Budget	Actual	
Revenues			
Operating revenues:			
Rates and charges	\$ 15,482,648	\$ 15,410,078	\$ (72,570)
Fees and charges	346,645	383,665	37,020
Miscellaneous	88,436	90,114	1,678
Total operating revenues	<u>15,917,729</u>	<u>15,883,857</u>	<u>(33,872)</u>
Non-operating revenues			
Interest on investments	40,843	39,154	(1,689)
Miscellaneous	215,813	214,947	(866)
Total non-operating revenues	<u>256,656</u>	<u>254,101</u>	<u>(2,555)</u>
Total revenues	<u>16,174,385</u>	<u>16,137,958</u>	<u>(36,427)</u>
Expenditures			
Water fund			
Maintenance and repairs	-	997,583	-
Other operating expenses	-	9,521,700	-
Capital outlay	-	1,067,936	-
Debt service	-	4,061,237	-
Total expenditures	<u>16,424,211</u>	<u>15,648,456</u>	<u>775,755</u>
Excess of revenues over (under) expenditures	<u>(249,826)</u>	<u>489,502</u>	<u>739,328</u>
Other financing sources (uses)			
Installment purchase	135,176	123,706	(11,470)
Intra-fund transfers	-	(492,562)	(492,562)
Appropriated fund balance	114,650	-	(114,650)
Total other financing sources (uses)	<u>249,826</u>	<u>(368,856)</u>	<u>(618,682)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 120,646</u>	<u>\$ 120,646</u>
Reconciliation to full accrual basis from modified accrual basis:			
Revenues over expenditures		\$ 120,646	
Budgetary appropriations , capital		1,067,936	
Budgetary appropriations , debt principal		2,654,902	
Depreciation		(3,750,841)	
Debt issued		(123,706)	
Amortization of bond premium and discount		(7,585)	
Capitalization of bond interest		17,479	
Intra-fund transfers		(22,841)	
Changes in accrued interest payable		492,562	
Changes in OPEB liability		(167,292)	
Revenue recognized in Capital Projects		222,637	
Total reconciling items		<u>383,251</u>	
Changes in net position		<u>\$ 503,897</u>	

Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) -
 Sewer Operating Fund - Major Enterprise Fund
 For the Year Ended June 30, 2013
 With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule F-3

	2013		Variance Over/Under
	Budget	Actual	
Revenues			
Operating revenues:			
Rates and charges	\$ 16,981,217	\$ 17,124,153	\$ 142,936
Fees and charges	315,184	363,627	48,443
Miscellaneous	88,436	90,648	2,212
Total operating revenues	<u>17,384,837</u>	<u>17,578,428</u>	<u>193,591</u>
Non-operating revenues			
Interest on investments	22,500	20,694	(1,806)
Miscellaneous	30,781	70,958	40,177
Total non-operating revenues	<u>53,281</u>	<u>91,652</u>	<u>38,371</u>
Total revenues	<u>17,438,118</u>	<u>17,670,080</u>	<u>231,962</u>
Expenditures			
Sewer fund			
Maintenance and repairs	-	987,916	-
Other operating expenses	-	9,623,018	-
Capital outlay	-	977,268	-
Debt service	-	5,429,025	-
Total expenditures	<u>18,082,442</u>	<u>17,017,227</u>	<u>1,065,215</u>
Excess of revenues over (under) expenditures	<u>(644,324)</u>	<u>652,853</u>	<u>1,297,177</u>
Other financing sources (uses)			
Installment purchase	149,104	147,377	(1,727)
Intra-fund transfers	-	(455,162)	(455,162)
Appropriated fund balance	495,220	-	(495,220)
Total other financing sources (uses)	<u>644,324</u>	<u>(307,785)</u>	<u>(952,109)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 345,068</u>	<u>\$ 345,068</u>
Reconciliation to full accrual basis from modified accrual basis:			
Revenues over (under) expenditures		\$ 345,068	
Budgetary appropriations - capital		977,268	
Budgetary appropriations - debt principal		3,820,046	
Depreciation		(4,758,787)	
Debt issued		(147,377)	
Amortization of bond premium and discount		(4,381)	
Capitalization of bond interest		322,916	
Changes in accrued interest payable		(3,449)	
Changes in unrealized gains/losses on investments		-	
Intra-fund transfers		455,162	
Changes in OPEB liability		(173,964)	
Revenue recognized in Capital Projects		603,973	
Total reconciling items		<u>1,091,407</u>	
Changes in net position		<u>\$ 1,436,475</u>	

Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) -
 Gas Operating Fund - Major Enterprise Fund
 For the Year Ended June 30, 2013
 With Comparative Actual Amounts for Year Ended June 30, 2012

Schedule F-4

	2013		Variance Over/Under
	Budget	Actual	
Revenues			
Operating revenues:			
Rates and charges	\$ 31,254,244	\$ 31,513,234	\$ 258,990
Fees and charges	130,833	135,445	4,612
Miscellaneous	84,118	87,753	3,635
Total operating revenues	<u>31,469,195</u>	<u>31,736,432</u>	<u>267,237</u>
Non-operating revenues			
Interest on investments	57,000	54,216	(2,784)
Miscellaneous	52,076	83,446	31,370
Total non-operating revenues	<u>109,076</u>	<u>137,662</u>	<u>28,586</u>
Total revenues	<u>31,578,271</u>	<u>31,874,094</u>	<u>295,823</u>
Expenditures			
Gas fund			
Maintenance and repairs	-	552,911	-
Other operating expenses	-	24,570,694	-
Capital outlay	-	1,194,407	-
Debt service	-	1,344,461	-
Total expenditures	<u>31,723,298</u>	<u>27,662,473</u>	<u>4,060,825</u>
Excess of revenues over (under) expenditures	<u>(145,027)</u>	<u>4,211,621</u>	<u>4,356,648</u>
Other financing sources (uses)			
Installment purchase	145,027	143,251	(1,776)
Intrafund transfers	-	(3,985,849)	(3,985,849)
Total other financing sources (uses)	<u>145,027</u>	<u>(3,842,598)</u>	<u>(3,987,625)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 369,023</u>	<u>\$ 369,023</u>
Reconciliation to full accrual basis from modified accrual basis:			
Revenues over (under) expenditures		\$ 369,023	
Budgetary appropriations, capital		1,194,407	
Budgetary appropriations, debt principal		975,913	
Depreciation		(1,694,506)	
Debt proceeds		(143,251)	
Amortization of bond premium and discount		(20,594)	
Changes in accrued interest payable		15,166	
Intra-fund transfers		3,985,849	
Changes in OPEB liability		(143,364)	
Revenue recognized in Capital Projects		8,959	
Total reconciling items		<u>4,178,579</u>	
Changes in net position		<u>\$ 4,547,602</u>	

Nonmajor Enterprise Funds
Combining Statement of Fund Net Position
June 30, 2013

Schedule F-5

	<u>Public Transportation Fund</u>	<u>Stormwater Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 469,534	\$ 2,954,480	\$ 43,373	\$ 3,467,387
Accounts receivable, net	302,180	218,750	460,526	981,456
Due from other governments	2,510	16,893	8,650	28,053
Due from other funds	-	222,317	-	222,317
Prepaid items	350	-	-	350
Total current assets	<u>774,574</u>	<u>3,412,440</u>	<u>512,549</u>	<u>4,699,563</u>
Noncurrent assets				
Land and construction in progress	-	7,279,153	-	7,279,153
Other capital assets, net of depreciation	<u>1,083,395</u>	<u>266,559</u>	<u>118,209</u>	<u>1,468,163</u>
Total noncurrent assets	<u>1,083,395</u>	<u>7,545,712</u>	<u>118,209</u>	<u>8,747,316</u>
Total assets	<u>1,857,969</u>	<u>10,958,152</u>	<u>630,758</u>	<u>13,446,879</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	77,459	73,390	164,902	315,751
Current portion of compensated absences	31,380	-	138,161	169,541
Current maturities of long-term debt	-	<u>196,539</u>	-	<u>196,539</u>
Total current liabilities	<u>108,839</u>	<u>269,929</u>	<u>303,063</u>	<u>681,831</u>
Noncurrent liabilities				
Noncurrent portion of compensated absences	13,449	-	59,213	72,662
Noncurrent portion of other post employment benefits	313,952	512,237	1,107,092	1,933,281
Noncurrent portion of long-term debt	-	<u>4,207,523</u>	-	<u>4,207,523</u>
Total noncurrent liabilities	<u>327,401</u>	<u>4,719,760</u>	<u>1,166,305</u>	<u>6,213,466</u>
Total liabilities	<u>436,240</u>	<u>4,989,689</u>	<u>1,469,368</u>	<u>6,895,297</u>
Net position				
Net investment in capital assets	1,083,395	3,141,650	118,209	4,343,254
Unrestricted	<u>338,334</u>	<u>2,826,813</u>	<u>(956,819)</u>	<u>2,208,328</u>
Total net position	<u>\$ 1,421,729</u>	<u>\$ 5,968,463</u>	<u>\$ (838,610)</u>	<u>\$ 6,551,582</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Position
For the Year Ended June 30, 2013

Schedule F-6

	<u>Transportation Fund</u>	<u>Bradford Creek Golf Course Fund</u>	<u>Stormwater Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Operating revenues					
Changes for services	\$ 326,919	\$ -	\$ 3,117,169	\$ 6,470,029	\$ 9,914,117
Other operating revenues	31,767	-	-	160,427	192,194
Total operating revenue	<u>358,686</u>	<u>-</u>	<u>3,117,169</u>	<u>6,630,456</u>	<u>10,106,311</u>
Operating expenses					
Administrative and general	40,288	-	-	-	40,288
Operations and maintenance	2,067,417	-	2,730,186	6,741,221	11,538,824
Depreciation and amortization	391,734	-	6,573	50,518	448,825
Total operating expenses	<u>2,499,439</u>	<u>-</u>	<u>2,736,759</u>	<u>6,791,739</u>	<u>12,027,937</u>
Operating income (loss)	<u>(2,140,753)</u>	<u>-</u>	<u>380,410</u>	<u>(161,283)</u>	<u>(1,921,626)</u>
Nonoperating revenues (expenses)					
Investment earnings	-	-	1,143	-	1,143
Interest expense	-	-	(167,002)	-	(167,002)
Total non-operating revenue (expenses)	<u>-</u>	<u>-</u>	<u>(165,859)</u>	<u>-</u>	<u>(165,859)</u>
Income (loss) before contributions and transfers	<u>(2,140,753)</u>	<u>-</u>	<u>214,551</u>	<u>(161,283)</u>	<u>(2,087,485)</u>
Transfers in (out) and capital contributions					
Capital contributions	1,421,223	261,228	400,000	20,287	2,102,738
Transfers to other funds	-	(78,978)	-	(104,920)	(183,898)
Transfers from other funds	84,804	785,844	-	139,163	1,009,811
Total transfers in (out) and capital contributions	<u>1,506,027</u>	<u>968,094</u>	<u>400,000</u>	<u>54,530</u>	<u>2,928,651</u>
Change in net position	(634,726)	968,094	614,551	(106,753)	841,166
Net position, beginning of year - July 1	2,056,455	(968,094)	5,353,912	(731,857)	5,710,416
Net position, end of year - June 30	<u>\$ 1,421,729</u>	<u>\$ -</u>	<u>\$ 5,968,463</u>	<u>\$ (838,610)</u>	<u>\$ 6,551,582</u>

Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2013

Schedule F-7

	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Sanitation Fund	Total
Cash flows from operating activities					
Cash received from customers	\$ 333,528	\$ 11,056	\$ 3,090,398	\$ 6,544,522	\$ 9,979,504
Cash paid to vendors	(1,074,673)	(30,313)	(1,300,580)	(3,100,854)	(5,506,420)
Cash paid to employees	(911,936)	(261,228)	(1,649,490)	(3,679,052)	(6,501,706)
Net cash provided (used) by operating activities	<u>(1,653,081)</u>	<u>(280,485)</u>	<u>140,328</u>	<u>(235,384)</u>	<u>(2,028,622)</u>
Cash from noncapital financing activities					
Repayments to/from other funds	-	(766,587)	17,348	224,227	(525,012)
Transfers from other funds	84,804	785,844	-	139,163	1,009,811
Transfers to other funds	-	-	-	(104,920)	(104,920)
Net cash provided (used) by non-capital financing activities	<u>84,804</u>	<u>19,257</u>	<u>17,348</u>	<u>258,470</u>	<u>379,879</u>
Cash from capital and related financing activities					
Repayment of principal of long-term debt	-	-	(166,457)	-	(166,457)
Interest paid	-	-	(167,002)	-	(167,002)
Capital contributions	1,421,223	261,228	400,000	20,287	2,102,738
Acquisition and construction of capital assets	(85,828)	-	(1,126,133)	-	(1,211,961)
Net cash provided (used) by capital and related financing activities	<u>1,335,395</u>	<u>261,228</u>	<u>(1,059,592)</u>	<u>20,287</u>	<u>557,318</u>
Cash from investing activities					
Interest received on investments	-	-	1,143	-	1,143
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>1,143</u>	<u>-</u>	<u>1,143</u>
Net increase (decrease) in cash and cash equivalents/investments	(232,882)	-	(900,773)	43,373	(1,090,282)
Cash and cash equivalents/investments					
Beginning of year, July 1st	702,416	-	3,855,253	-	4,557,669
End of year, June 30th	<u>\$ 469,534</u>	<u>\$ -</u>	<u>\$ 2,954,480</u>	<u>\$ 43,373</u>	<u>\$ 3,467,387</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (2,140,753)	\$ -	\$ 380,410	\$ (161,283)	\$ (1,921,626)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	391,734	-	6,573	50,518	448,825
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(23,838)	11,056	(26,771)	(85,934)	(125,487)
(Increase) decrease in inventories	-	14,197	-	-	14,197
(Increase) decrease in prepaids	(226)	-	-	552	326
Increase (decrease) in unearned revenue	(1,320)	-	-	-	(1,320)
Increase (decrease) in accounts payable	27,015	(44,510)	(267,090)	(90,209)	(374,794)
Increase (decrease) in compensated absences payable	(2,900)	(32,644)	-	8,889	(26,655)
Increase (decrease) in OPEB liability	97,207	(228,584)	47,206	42,083	(42,088)
Net cash provided (used) by operating activities	<u>(1,653,081)</u>	<u>(280,485)</u>	<u>140,328</u>	<u>(235,384)</u>	<u>(2,028,622)</u>
Non-cash investing, capital, and financing activities					
Capital contribution -transfer out accrued compensated absences	-	32,644	-	-	32,644
Capital contribution -transfer out OPEB liability	-	228,584	-	-	228,584
Transfer out of capital assets to governmental activities	-	(78,978)	-	-	(78,978)
Total non-cash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 182,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,250</u>

Public Transportation Enterprise Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule F-8

	2013		
	Budget	Actual	Variance Over/Under
Revenues			
Charges for services	\$ 276,781	\$ 326,919	\$ 50,138
Public transportation planning and operating grants	2,382,279	1,421,223	(961,056)
Other operating revenues	225	31,767	31,542
Total operating revenue	<u>2,659,285</u>	<u>1,779,909</u>	<u>(879,376)</u>
Expenditures			
Administrative and general	-	40,288	-
Operations and maintenance	-	740,625	-
Salaries and benefits	-	1,006,239	-
Capital outlay	-	312,074	-
Total operating expenses	<u>3,234,587</u>	<u>2,099,226</u>	<u>1,135,361</u>
Revenues over (under) expenditures	<u>(575,302)</u>	<u>(319,317)</u>	<u>255,985</u>
Other financing sources (uses)			
Appropriated fund balance	490,498	-	(490,498)
Transfers from General Fund	84,804	84,804	-
Total other financing sources (uses)	<u>575,302</u>	<u>84,804</u>	<u>(490,498)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(234,513)</u>	<u>\$ (234,513)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(391,734)	
Capital outlay		85,828	
Change in OPEB liability		(97,207)	
Change in accrued compensated absences		2,900	
Change in net position		<u>\$ (634,726)</u>	

Bradford Creek Golf Course Enterprise Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule F-9

	2013		Variance Over/Under
	Budget	Actual	
Other financing sources (uses)			
Transfers from General Fund	\$ -	\$ 785,844	\$ 785,844
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	785,844	\$ 785,844
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Transfer out of capital assets		(78,978)	
Capital contributions:			
Transfer accrued compensated absences to governmental activities		32,644	
Transfer OPEB liability to governmental activities		228,584	
Change in net position		\$ 968,094	

Stormwater Utility Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule F-10

	2013		Variance Over/Under
	Budget	Actual	
Revenues			
Charges for services	\$ 3,182,587	\$ 3,117,169	\$ (65,418)
Expenditures			
Operations and maintenance	-	406,057	-
Salaries and benefits	-	1,696,696	-
Capital outlay	-	660,388	-
Retirement of long-term debt	-	166,457	-
Interest paid	-	167,002	-
Indirect Cost Reimbursement	-	265,531	-
Total operating expenses	<u>5,288,064</u>	<u>3,362,131</u>	<u>1,925,933</u>
Revenues over (under) expenditures	<u>(2,105,477)</u>	<u>(244,962)</u>	<u>1,860,515</u>
Other Financing Sources (Uses)			
Transfers from other funds	1,415,636	1,363,214	(52,422)
Appropriated fund balance	<u>689,841</u>	<u>-</u>	<u>(689,841)</u>
Total other financing sources (uses)	<u>2,105,477</u>	<u>1,363,214</u>	<u>(742,263)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,118,252</u>	<u>\$ 1,118,252</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(6,573)	
Transfer from capital projects		(1,363,214)	
Capital project interest earnings		1,143	
Capital contributions - Capital Project Funds grant revenue		400,000	
Non-capitalizable expense from Capital Project Funds		(163,933)	
Capital outlay		509,625	
Change in OPEB liability		(47,206)	
Payment of debt principal		<u>166,457</u>	
Change in net position		<u>\$ 614,551</u>	

Stormwater Drainage Capital Project

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

From Inception and for the Year Ended June 30, 2013

Schedule F-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Restricted intergovernmental	\$ 400,000	\$ -	\$ 400,000	\$ 400,000
Interest earnings	204,000	308,651	1,143	309,794
Other revenue	-	600	-	600
Total revenues	<u>604,000</u>	<u>309,251</u>	<u>401,143</u>	<u>710,394</u>
Expenditures				
Stormwater drainage projects	<u>6,476,232</u>	<u>5,424,848</u>	<u>720,069</u>	<u>6,144,917</u>
Revenues over (under) expenditures	<u>(5,872,232)</u>	<u>(5,115,597)</u>	<u>(318,926)</u>	<u>(5,434,523)</u>
Other Financing Sources (Uses)				
Appropriated fund balance	379,892	-	-	-
Premium received on debt issue	-	22,607	-	22,607
Bonds issued	5,100,000	5,100,000	-	5,100,000
Transfers to other funds	(379,892)	-	(379,892)	(379,892)
Transfers from other funds	<u>772,232</u>	<u>692,000</u>	<u>-</u>	<u>692,000</u>
Total other financing sources (uses)	<u>5,872,232</u>	<u>5,814,607</u>	<u>(379,892)</u>	<u>5,434,715</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 699,010</u>	<u>\$ (698,818)</u>	<u>\$ 192</u>

Stormwater Drainage Maintenance Improvement Capital Project
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2013

Schedule F-12

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earnings	\$ -	\$ 156	\$ -	\$ 156
Expenditures				
Stormwater drainage projects	149,828	62,026	60,371	122,397
Revenues over (under) expenditures	(149,828)	(61,870)	(60,371)	(122,241)
Other Financing Sources (Uses)				
Transfers to other funds	(1,081,172)	(97,850)	(983,322)	(1,081,172)
Transfers from other funds	1,231,000	1,231,000	-	1,231,000
Total other financing sources (uses)	<u>149,828</u>	<u>1,133,150</u>	<u>(983,322)</u>	<u>149,828</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,071,280</u>	<u>\$ (1,043,693)</u>	<u>\$ 27,587</u>

Sanitation Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2013

Schedule F-13

	2013		
	Budget	Actual	Variance Over/Under
Operating Revenues			
Charges for services	\$ 7,020,640	\$ 6,470,029	\$ (550,611)
Grant revenue	10,480	20,287	9,807
Other revenue	60,000	160,427	100,427
Total operating revenues	<u>7,091,120</u>	<u>6,650,743</u>	<u>(440,377)</u>
Operating Expenditures			
Operations and maintenance	-	2,154,897	-
Salaries and benefits	-	3,730,024	-
Capital outlay	-	56,287	-
Indirect Cost Reimbursement	-	749,041	-
Total operating expenses	<u>7,230,292</u>	<u>6,690,249</u>	<u>540,043</u>
Revenues over (under) expenditures	<u>(139,172)</u>	<u>(39,506)</u>	<u>99,666</u>
Other Financing Sources (Uses)			
Appropriated fund balance	104,929	-	(104,929)
Transfers from General Fund	139,163	139,163	-
Transfers to General Fund	<u>(104,920)</u>	<u>(104,920)</u>	<u>-</u>
Total other financing sources (uses)	<u>139,172</u>	<u>34,243</u>	<u>(104,929)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(5,263)</u>	<u>\$ (5,263)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(50,518)	
Change in accrued compensation absences		(8,889)	
Change in OPEB liability		<u>(42,083)</u>	
Change in net position		<u>\$ (106,753)</u>	

internal service funds



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internal service funds

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

Vehicle Replacement Fund - established to account for financing the City's replacement vehicles and certain capital equipment greater than or equal to \$5,000.

Health Insurance Fund - established to account for the self-insured financing of the City's health insurance program.

Fleet Maintenance Fund - established to account for financing the City's fleet maintenance costs.

Internal Service Funds
 Combining Statement of Fund Net Position
 June 30, 2013

Schedule G-1

	Vehicle Replacement Fund	Health Insurance Fund	Fleet Maintenance Fund	Total
Assets				
Current assets:				
Cash, cash equivalents, and investments	\$ 7,248,194	\$ 2,361,199	\$ -	\$ 9,609,393
Accounts receivable	25,600	99,123	4,668	129,391
Prepaid items	-	-	150,960	150,960
Due from other governments	-	12	367,076	367,088
Total current assets	<u>7,273,794</u>	<u>2,460,334</u>	<u>522,704</u>	<u>10,256,832</u>
Noncurrent assets				
Other capital assets, net	9,452,698	-	-	9,452,698
Total assets	<u>16,726,492</u>	<u>2,460,334</u>	<u>522,704</u>	<u>19,709,530</u>
Liabilities				
Current liabilities:				
Accounts payable	-	1,834,996	147,946	1,982,942
Due to other funds	-	-	545,475	545,475
Total current liabilities	<u>-</u>	<u>1,834,996</u>	<u>693,421</u>	<u>2,528,417</u>
Net position				
Net investment in capital assets	9,452,698	-	-	9,452,698
Unrestricted	7,273,794	625,338	(170,717)	7,728,415
Total net position	<u>\$ 16,726,492</u>	<u>\$ 625,338</u>	<u>\$ (170,717)</u>	<u>\$ 17,181,113</u>

Internal Service Funds

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2013**

Schedule G-2

	<u>Vehicle Replacement Fund</u>	<u>Health Insurance Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Total</u>
Revenues				
Charges for services	\$ 3,151,508	\$ 11,531,635	\$ 3,776,250	\$ 18,459,393
Other operating revenues	533,295	-	-	533,295
Total operating revenues	<u>3,684,803</u>	<u>11,531,635</u>	<u>3,776,250</u>	<u>18,992,688</u>
Expenditures				
Administration	-	551,792	-	551,792
Operations and maintenance	223,049	-	3,941,338	4,164,387
Depreciation	695,554	-	-	695,554
Claims and payments to third party administrators	-	11,250,124	-	11,250,124
Total operating expenses	<u>918,603</u>	<u>11,801,916</u>	<u>3,941,338</u>	<u>16,661,857</u>
Income (loss) before contributions and transfers	<u>2,766,200</u>	<u>(270,281)</u>	<u>(165,088)</u>	<u>2,330,831</u>
Transfers in (out) and capital contributions				
Transfers to other funds	(175,000)	-	-	(175,000)
Transfers from other funds	-	467,904	175,000	642,904
Total transfers in (out) and capital contributions	<u>(175,000)</u>	<u>467,904</u>	<u>175,000</u>	<u>467,904</u>
Change in net position	<u>2,591,200</u>	<u>197,623</u>	<u>9,912</u>	<u>2,798,735</u>
Net position				
Beginning of year - July 1	14,135,292	855,509	(180,629)	14,810,172
Prior period adjustment	-	(427,794)	-	(427,794)
Beginning of year - restated	<u>14,135,292</u>	<u>427,715</u>	<u>(180,629)</u>	<u>14,382,378</u>
End of year - June 30	<u>\$ 16,726,492</u>	<u>\$ 625,338</u>	<u>\$ (170,717)</u>	<u>\$ 17,181,113</u>

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2013

Schedule G-3

	<u>Vehicle Replacement Fund</u>	<u>Health Insurance Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Total</u>
Cash flows operating activities				
Cash received from customers	\$ 3,673,781	\$ 11,530,779	\$ 3,495,138	\$ 18,699,698
Cash paid to vendors	(649,912)	(12,301,760)	(2,786,164)	(15,737,836)
Cash paid to employees	-	-	(1,170,480)	(1,170,480)
Net cash provided (used) by operating activities	<u>3,023,869</u>	<u>(770,981)</u>	<u>(461,506)</u>	<u>1,791,382</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	467,904	175,000	642,904
Transfers to other funds	(175,000)	-	-	(175,000)
Advances to/from other funds	-	(59,793)	286,506	226,713
Net cash provided (used) by non-capital financing activities	<u>(175,000)</u>	<u>408,111</u>	<u>461,506</u>	<u>694,617</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(2,796,080)	-	-	(2,796,080)
Net cash provided (used) by capital and related financing activities	<u>(2,796,080)</u>	<u>-</u>	<u>-</u>	<u>(2,796,080)</u>
Net increase (decrease) in cash and cash equivalents / investments	52,789	(362,870)	-	(310,081)
Cash and cash equivalents/investments				
Beginning of year - July 1	<u>7,195,405</u>	<u>2,724,069</u>	<u>-</u>	<u>9,919,474</u>
End of year - June 30	<u>\$ 7,248,194</u>	<u>\$ 2,361,199</u>	<u>\$ -</u>	<u>\$ 9,609,393</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,766,200	\$ (270,281)	\$ (165,088)	\$ 2,330,831
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	695,554	-	-	695,554
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(11,022)	8,998	(281,112)	(283,136)
(Increase) decrease in inventories	-	-	144,273	144,273
(Increase) decrease in prepaids	-	-	(150,778)	(150,778)
Increase (decrease) in unearned revenue	-	(9,854)	-	(9,854)
Increase (decrease) in accounts payable	(426,863)	(499,844)	(8,801)	(935,508)
Net cash provided (used) by operating activities	<u>\$ 3,023,869</u>	<u>\$ (770,981)</u>	<u>\$ (461,506)</u>	<u>\$ 1,791,382</u>

Vehicle Replacement Internal Service Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule G-4

	<u>2013</u>		
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues			
Charges for services	\$ 3,769,058	\$ 3,151,508	\$ (617,550)
Other operating revenues	-	533,295	533,295
Total operating revenues	<u>3,769,058</u>	<u>3,684,803</u>	<u>(84,255)</u>
Operating Expenditures			
Capital outlay	<u>4,961,280</u>	<u>3,019,129</u>	<u>1,942,151</u>
Revenues over (under) expenditures	<u>(1,192,222)</u>	<u>665,674</u>	<u>1,857,896</u>
Other Financing Sources (Uses)			
Transfers to other funds	(175,000)	(175,000)	-
Fund balance appropriated	<u>1,639,659</u>	-	<u>(1,639,659)</u>
Increase in reserve	<u>(272,437)</u>	-	<u>272,437</u>
Total other financing sources (uses)	<u>1,192,222</u>	<u>(175,000)</u>	<u>(1,367,222)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>490,674</u>	<u>\$ 490,674</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:			
Depreciation		(695,554)	
Loss on disposal of capital assets		-	
Capital asset purchased		<u>2,796,080</u>	
Change in net position		<u>\$ 2,591,200</u>	

Health Insurance Internal Service Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule G-5

	2013		Variance Over/Under
	Financial Plan	Actual	
Operating Revenues			
Charges for services	\$ 12,513,536	\$ 11,531,635	\$ (981,901)
Operating Expenditures			
Administration	-	551,792	-
Payment to third party administrator	-	11,250,124	-
Total operating expenditures	<u>12,513,536</u>	<u>11,801,916</u>	<u>711,620</u>
Revenues over (under) expenditures	-	(270,281)	(270,281)
Other financing sources (uses)			
Transfers from other funds	-	467,904	467,904
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	197,623	<u>\$ 197,623</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:		-	
Change in net position		<u>\$ 197,623</u>	

Fleet Maintenance Internal Service Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2013

Schedule G-6

	2013		Variance Over/Under
	Financial Plan	Actual	
Operating revenues			
Charges for services	\$ 4,192,441	\$ 3,776,250	\$ (416,191)
Operating expenditures			
Salaries and benefits	-	1,170,480	-
Operating and maintenance	-	2,759,147	-
Capital outlay	-	11,711	-
Total operating expenditures	<u>4,368,621</u>	<u>3,941,338</u>	<u>427,283</u>
Revenues over (under) expenditures	<u>(176,180)</u>	<u>(165,088)</u>	<u>11,092</u>
Other financing sources (uses)			
Transfers from other funds	175,000	175,000	-
Appropriated fund balance	<u>1,180</u>	<u>-</u>	<u>(1,180)</u>
Total other financing sources (uses)	<u>176,180</u>	<u>175,000</u>	<u>(1,180)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>9,912</u>	<u>\$ 9,912</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:		<u>-</u>	
Change in net position		<u>\$ 9,912</u>	

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statistical section



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statistical section

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

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

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

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

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

Notes at the bottom of charts and tables will indicate when the data amounts provided are in thousands. In some cases, notes will also indicate whether the data is based on the Accrual or Modified Accrual Basis of Accounting.

City of Greenville
 Net Position by Component
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	\$ 45,056	\$ 38,196	\$ 83,851	\$ 81,844	\$ 89,239
Restricted	416	1,243	1,223	1,572	2,889
Unrestricted	<u>25,704</u>	<u>44,355</u>	<u>40,333</u>	<u>49,998</u>	<u>42,823</u>
Total governmental activities net position	<u>\$ 71,176</u>	<u>\$ 83,794</u>	<u>\$ 125,407</u>	<u>\$ 133,414</u>	<u>\$ 134,951</u>
Business-type activities					
Net investment in capital assets	\$ 184,616	\$ 198,000	\$ 207,485	\$ 219,968	\$ 229,538
Unrestricted	<u>55,442</u>	<u>50,194</u>	<u>54,312</u>	<u>61,850</u>	<u>64,285</u>
Total business-type activities net assets	<u>\$ 240,058</u>	<u>\$ 248,194</u>	<u>\$ 261,797</u>	<u>\$ 281,818</u>	<u>\$ 293,823</u>
Primary government					
Net investment in capital assets	\$ 229,672	\$ 236,196	\$ 291,336	\$ 301,812	\$ 318,777
Restricted	416	1,243	1,223	1,572	2,889
Unrestricted	<u>81,146</u>	<u>94,549</u>	<u>94,646</u>	<u>111,848</u>	<u>107,108</u>
Total primary government net position	<u>\$ 311,234</u>	<u>\$ 331,988</u>	<u>\$ 387,205</u>	<u>\$ 415,232</u>	<u>\$ 428,774</u>

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.

Table 1

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 98,830	\$ 119,789	\$ 132,450	\$ 136,640	\$ 140,382
2,053	3,424	10,690	17,011	10,880
<u>44,182</u>	<u>29,727</u>	<u>24,196</u>	<u>18,142</u>	<u>36,640</u>
<u>\$ 145,065</u>	<u>\$ 152,940</u>	<u>\$ 167,336</u>	<u>\$ 171,793</u>	<u>\$ 187,902</u>
\$ 235,068	\$ 239,541	\$ 239,156	\$ 242,482	\$ 251,120
63,578	69,964	79,687	81,410	81,243
<u>\$ 298,646</u>	<u>\$ 309,505</u>	<u>\$ 318,843</u>	<u>\$ 323,892</u>	<u>\$ 332,363</u>
\$ 333,898	\$ 359,330	\$ 371,606	\$ 379,122	\$ 391,502
2,053	3,424	10,690	17,011	10,880
<u>107,760</u>	<u>99,691</u>	<u>103,883</u>	<u>99,552</u>	<u>117,883</u>
<u>\$ 443,711</u>	<u>\$ 462,445</u>	<u>\$ 486,179</u>	<u>\$ 495,685</u>	<u>\$ 520,265</u>

City of Greenville
 Changes in Net Position
 Last Ten Fiscal Years

Expenses	2004	2005	2006	2007
Governmental activities:				
General government	\$ 12,750	\$ 13,023	\$ 16,353	\$ 18,144
Public safety	21,925	23,705	23,624	28,366
Transportation	3,543	2,897	5,720	3,190
Environmental protection	3,290	3,568	3,855	4,295
Economic and physical development	7,698	1,932	7,652	3,528
Culture and recreation	2,125	6,626	5,044	4,926
Interest on long-term debt	1,168	1,697	1,714	1,937
Total governmental activities	<u>\$ 52,499</u>	<u>\$ 53,448</u>	<u>\$ 63,962</u>	<u>\$ 64,386</u>
Business-type activities:				
Electric	\$ 130,598	\$ 133,698	\$ 148,006	\$ 157,151
Water	10,019	12,302	11,584	11,836
Sewer	10,233	10,931	12,227	12,800
Gas	22,752	28,357	36,630	37,068
Public transportation	919	1,000	1,366	1,389
Bradford creek	791	825	841	871
Aquatics and fitness	548	537	583	1,521
Stormwater utility	1,277	1,546	1,704	1,848
Sanitation	-	-	-	-
Total business-type activities	<u>\$ 177,137</u>	<u>\$ 189,196</u>	<u>\$ 212,941</u>	<u>\$ 224,484</u>
Total expenses	<u>\$ 229,636</u>	<u>\$ 242,644</u>	<u>\$ 341,113</u>	<u>\$ 288,870</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,583	\$ 3,328	\$ 4,109	\$ 4,392
Public safety	2,603	2,518	3,811	4,189
Transportation	1,049	161	311	275
Environmental protection	3,984	3,881	3,719	4,004
Economic and physical development	455	876	505	668
Culture and recreation	9	356	24	31
Operating grants and contributions	3,564	3,772	4,538	4,578
Capital grants and contributions	3,085	2,770	3,360	3,022
Total governmental activities program revenues	<u>\$ 16,332</u>	<u>\$ 17,662</u>	<u>\$ 20,377</u>	<u>\$ 21,159</u>

Table 2
Page 1 of 2

2008	2009	2010	2011	2012	2013
\$ 16,290	\$ 12,826	\$ 10,721	\$ 10,172	\$ 10,480	\$ 21,603
29,719	32,621	37,866	36,159	39,385	29,712
9,703	8,253	11,994	9,344	10,326	7,593
4,366	1,068	-	-	-	-
5,139	6,006	5,199	4,625	6,065	14,501
6,690	10,360	11,192	11,398	11,503	3,688
1,788	1,440	1,842	1,602	1,657	826
<u>\$ 73,695</u>	<u>\$ 72,574</u>	<u>\$ 78,814</u>	<u>\$ 73,300</u>	<u>\$ 79,416</u>	<u>\$ 77,923</u>
\$ 163,119	\$ 183,301	\$ 188,681	\$ 195,510	\$ 191,269	\$ 192,058
13,170	14,437	14,778	15,044	16,403	15,857
12,972	14,524	14,776	15,673	16,208	16,837
38,148	38,330	31,749	31,972	24,947	26,189
1,412	1,791	1,703	1,837	2,178	2,499
878	911	906	914	930	-
1,560	-	-	-	-	-
2,367	2,720	2,638	2,899	3,119	2,904
-	5,959	5,495	5,961	6,643	6,792
<u>\$ 233,626</u>	<u>\$ 261,973</u>	<u>\$ 260,726</u>	<u>\$ 269,810</u>	<u>\$ 261,697</u>	<u>\$ 263,136</u>
<u>\$ 307,321</u>	<u>\$ 334,547</u>	<u>\$ 339,540</u>	<u>\$ 343,110</u>	<u>\$ 341,113</u>	<u>\$ 341,059</u>
\$ 4,112	\$ 2,323	\$ 447	\$ 886	\$ 3,140	\$ 4,052
3,709	4,221	5,060	4,564	5,545	4,360
210	264	264	309	247	190
4,634	81	-	-	-	-
768	1,280	170	738	-	19
516	19	1,324	1,247	1,354	1,120
3,101	3,952	7,491	9,502	9,820	4,523
3,691	5,657	13,735	10,258	4,091	3,975
<u>\$ 20,741</u>	<u>\$ 17,797</u>	<u>\$ 28,491</u>	<u>\$ 27,504</u>	<u>\$ 24,197</u>	<u>\$ 18,239</u>

City of Greenville
 Changes in Net Position
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Program revenues (continued):					
Business-type activities:					
Charges for services:					
Electric	\$ 136,506	\$ 138,528	\$ 154,577	\$ 164,380	\$ 168,993
Water	9,670	10,298	11,557	11,977	13,714
Sewer	11,486	12,206	12,833	13,613	14,111
Gas	24,208	30,896	37,219	38,267	41,109
Public transportation	115	114	132	166	185
Aquatics and Fitness	534	523	559	539	600
Bradford Creek	848	885	850	843	876
Stormwater Utility	1,919	2,669	2,944	2,823	2,933
Sanitation	-	-	-	-	-
Operating grants and contributions	569	907	1,081	930	699
Capital grants and contributions	372	3,112	7,043	12,350	5,074
Total business-type activities program revenues	<u>\$ 186,227</u>	<u>\$ 200,138</u>	<u>\$ 228,795</u>	<u>\$ 245,888</u>	<u>\$ 248,294</u>
Total program revenues	<u>\$ 202,559</u>	<u>\$ 217,800</u>	<u>\$ 249,172</u>	<u>\$ 267,047</u>	<u>\$ 269,035</u>
Net (expense)/revenue					
Governmental activities	\$ (36,167)	\$ (35,786)	\$ (43,585)	\$ (43,227)	\$ (52,954)
Business-type activities	9,090	10,942	15,854	21,404	14,668
Total primary governmental net expense	<u>\$ (27,077)</u>	<u>\$ (24,844)</u>	<u>\$ (27,731)</u>	<u>\$ (21,823)</u>	<u>\$ (38,286)</u>
General revenues and other changes in net position					
Governmental activities:					
Property taxes	\$ 18,624	\$ 21,439	\$ 22,965	\$ 24,054	\$ 26,033
Other taxes, grants and contributions	15,138	16,469	18,466	19,708	20,712
Investment earnings	283	964	1,908	2,765	2,706
Miscellaneous	662	-	-	-	-
Transfers	4,601	4,145	4,349	4,469	5,039
Total general revenues	<u>\$ 39,308</u>	<u>\$ 43,017</u>	<u>\$ 47,688</u>	<u>\$ 50,996</u>	<u>\$ 54,490</u>
Business-type activities:					
Unrestricted grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	501	1,341	2,097	3,088	2,377
Miscellaneous	2,426	-	-	-	-
Transfers	(4,601)	(4,145)	(4,349)	(4,469)	(5,039)
Total business-type activities	<u>\$ (1,674)</u>	<u>\$ (2,804)</u>	<u>\$ (2,252)</u>	<u>\$ (1,381)</u>	<u>\$ (2,662)</u>
Total primary government	<u>\$ 37,634</u>	<u>\$ 40,213</u>	<u>\$ 45,436</u>	<u>\$ 49,615</u>	<u>\$ 51,828</u>
Change in net position					
Governmental activities	\$ 3,141	\$ 7,231	\$ 4,103	\$ 7,769	\$ 1,536
Business-type activities	7,416	8,138	13,602	20,023	12,006
Total primary government	<u>\$ 10,557</u>	<u>\$ 15,369</u>	<u>\$ 17,705</u>	<u>\$ 27,792</u>	<u>\$ 13,542</u>

Note 1: Amounts are based on Accrual Basis of Accounting

Note 2: Amounts are expressed in thousands

Table 2
Page 2 of 2

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 187,204	\$ 194,531	\$ 203,686	\$ 196,531	\$ 197,680
13,955	13,829	15,289	16,462	16,321
14,310	14,905	17,041	17,971	18,257
44,476	37,962	37,738	30,440	31,820
218	235	274	314	359
800	753	750	860	-
2,958	3,207	3,066	2,962	3,117
5,427	5,914	5,431	5,408	6,630
1,538	807	830	1,009	-
5,301	3,501	1,062	5	2,103
<u>\$ 276,187</u>	<u>\$ 275,644</u>	<u>\$ 285,167</u>	<u>\$ 271,962</u>	<u>\$ 276,287</u>
<u>\$ 293,984</u>	<u>\$ 304,135</u>	<u>\$ 312,671</u>	<u>\$ 296,159</u>	<u>\$ 294,526</u>
\$ (54,777)	\$ (50,323)	\$ (45,796)	\$ (55,219)	\$ (59,684)
14,214	14,918	15,357	10,265	13,151
<u>\$ (40,563)</u>	<u>\$ (35,405)</u>	<u>\$ (30,439)</u>	<u>\$ (44,954)</u>	<u>\$ (46,533)</u>
\$ 29,461	\$ 30,517	\$ 30,891	\$ 31,487	\$ 30,446
20,915	20,852	21,722	22,161	22,397
2,455	1,486	919	969	69
-	469	-	(496)	-
10,864	4,872	6,662	5,554	4,908
<u>\$ 63,695</u>	<u>\$ 58,196</u>	<u>\$ 60,194</u>	<u>\$ 59,675</u>	<u>\$ 57,820</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,472	813	641	337	227
-	-	-	-	-
(10,864)	(4,872)	(6,662)	(5,554)	(4,908)
<u>\$ (9,392)</u>	<u>\$ (4,059)</u>	<u>\$ (6,021)</u>	<u>\$ (5,217)</u>	<u>\$ (4,681)</u>
<u>\$ 54,303</u>	<u>\$ 54,137</u>	<u>\$ 54,173</u>	<u>\$ 54,458</u>	<u>\$ 53,139</u>
\$ 8,918	\$ 7,873	\$ 14,398	\$ 4,456	\$ (1,864)
4,822	10,859	9,336	5,048	8,470
<u>\$ 13,740</u>	<u>\$ 18,732</u>	<u>\$ 23,734</u>	<u>\$ 9,504</u>	<u>\$ 6,606</u>

City of Greenville
 Fund Balances of Governmental Funds
 Last Seven Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved	\$ 8,726	\$ 9,749	\$ 10,379	\$ 10,002
Unreserved	14,305	16,773	18,299	17,457
Total General Fund	<u>\$ 23,031</u>	<u>\$ 26,522</u>	<u>\$ 28,678</u>	<u>\$ 27,459</u>
All other governmental funds				
Reserved	\$ 87	\$ 83	\$ 761	\$ 123
Unreserved, reported in:				
Subsequent year's	-	-	-	-
Special revenue funds	5,230	7,158	7,965	9,430
Debt service funds	2,734	11,775	1,409	1,756
Capital project funds	416	1,313	3,622	9,333
Total all other governmental funds	<u>\$ 8,467</u>	<u>\$ 20,329</u>	<u>\$ 13,757</u>	<u>\$ 20,642</u>
Total governmental funds	\$ 31,498	\$ 46,851	\$ 42,435	\$ 48,101

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

Table 3

Page 1 of 2

2008	2009	2010
\$ 11,315	\$ 9,671	\$ 10,404
15,657	18,396	17,203
\$ 26,972	\$ 28,067	\$ 27,607
\$ 108	\$ 116	\$ 709
-	-	108
6,901	5,990	3,987
806	916	892
11,822	14,166	9,993
\$ 19,637	\$ 21,188	\$ 15,689
\$ 46,609	\$ 49,255	\$ 43,296

City of Greenville
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years

Table 3
 Page 2 of 2

	2011	2012	2013
General fund			
Nondisposable	\$ 161	\$ 151	\$ 75
Restricted	10,690	11,582	10,267
Committed	2,831	3,059	2,277
Assigned	2,091	2,490	7,047
Unassigned	<u>13,381</u>	<u>14,683</u>	<u>11,401</u>
Total general fund	\$ 29,154	\$ 31,965	\$ 31,067
All other governmental funds			
Nondisposable	53	44	49
Restricted	8,384	5,429	2,160
Committed	7,477	5,996	7,747
Assigned	-	-	544
Unassigned	<u>(1,970)</u>	<u>(1,327)</u>	<u>(1,181)</u>
Total all other governmental funds	\$ 13,944	\$ 10,142	\$ 9,319

Note 1: The City made the option to adopt GASB 54 fund balance presentation prospectively

Note 2: Amounts are based on the Modified Accrual Basis of Accounting

Note 3: Amounts expressed in thousands

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City of Greenville
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years

	2004	2005	2006	2007
Revenues				
Ad valorem taxes	\$ 19,031	\$ 21,325	\$ 22,565	\$ 23,896
Other taxes	11,307	12,484	14,227	15,002
Unrestricted intergovernmental	3,832	3,985	4,239	4,706
Restricted intergovernmental	6,649	6,542	7,683	6,331
Licenses, permits and fees	6,699	7,199	7,687	7,927
Sales and services	2,984	4,051	4,023	4,360
Investment earning	283	962	1,906	2,743
Other revenue	662	623	729	1,941
Total revenues	<u>\$ 51,447</u>	<u>\$ 57,171</u>	<u>\$ 63,059</u>	<u>\$ 66,906</u>
Expenditures				
General government	\$ 11,693	\$ 13,022	\$ 14,609	\$ 8,451
Public safety	21,631	23,763	26,332	27,363
Public works	3,393	3,465	3,803	8,385
Environmental protection	3,561	3,367	3,740	3,950
Cultural and recreation	5,600	6,129	6,732	3,653
Economic and physical development	2,125	1,932	2,382	6,219
Capital outlay	4,006	7,978	10,274	7,471
Reimbursement of indirect cost	-	-	-	-
Contribution to OPEB Trust	-	-	-	-
Other expenditures	-	-	-	-
Debt service				
Principal	\$ 2,576	\$ 3,612	\$ 3,904	\$ 3,693
Interest and fees	1,165	1,697	1,714	1,967
Other charges	-	-	-	-
Total expenditures	<u>\$ 55,750</u>	<u>\$ 64,965</u>	<u>\$ 73,490</u>	<u>\$ 71,152</u>
Excess of revenues over (under) expenditures	\$ (4,303)	\$ (7,794)	\$ (10,431)	\$ (4,246)
Other financing sources (uses)				
Transfers from other funds	\$ 10,884	\$ 13,148	\$ 15,331	\$ 14,519
Transfers to other funds	(6,282)	(9,002)	(10,982)	(12,488)
Payments to escrow agents	-	-	-	-
Sale of property	-	-	-	-
Payments to escrow agents	-	-	-	-
Long term debt issued	1,496	18,396	1,667	7,645
Long term debt issued	-	-	-	-
Total other financing sources (uses)	<u>\$ 6,098</u>	<u>\$ 22,542</u>	<u>\$ 6,016</u>	<u>\$ 9,676</u>
Net change in fund balances	<u>\$ 1,795</u>	<u>\$ 14,748</u>	<u>\$ (4,415)</u>	<u>\$ 5,430</u>
Debt services as a percentage of noncapital expenditures	7.8%	10.3%	9.8%	9.8%

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

Note 2: Amounts are expressed in thousands

Note 3: Fiscal Year 2013 adjusted based on comments per GFOA

Table 4

	2008	2009	2010	2011	2012	2013
\$	26,296	\$ 29,715	\$ 30,581	\$ 30,749	\$ 31,567	30,276
	15,794	15,355	14,715	15,130	16,614	16,519
	4,918	5,560	5,573	5,965	5,858	5,877
	6,509	10,031	7,522	11,048	12,166	7,978
	7,742	2,398	2,358	2,365	2,632	2,457
	5,474	5,604	4,947	5,290	5,117	5,484
	2,685	2,450	1,486	917	970	69
	725	424	1,137	896	1,360	1,316
\$	<u>70,143</u>	<u>\$ 71,537</u>	<u>\$ 68,319</u>	<u>\$ 72,360</u>	<u>\$ 76,284</u>	<u>\$ 69,976</u>
\$	8,843	\$ 8,991	\$ 8,935	\$ 8,727	\$ 9,100	11,238
	29,553	32,747	34,634	35,256	35,100	36,077
	8,893	8,874	8,884	9,432	9,838	8,361
	4,162	-	-	-	-	-
	3,938	3,886	8,235	8,443	8,772	4,121
	6,733	7,560	4,328	4,545	4,956	11,630
	8,158	11,454	9,631	9,861	10,647	3,786
	-	(528)	(560)	(373)	(601)	(1,014)
	-	250	250	250	250	300
	-	-	-	-	-	-
\$	4,108	\$ 10,636	\$ 3,130	\$ 3,389	\$ 3,047	12,613
	1,787	1,440	1,682	1,580	1,684	2,010
	-	-	-	-	-	-
\$	<u>76,175</u>	<u>\$ 85,310</u>	<u>\$ 79,149</u>	<u>\$ 81,110</u>	<u>\$ 82,793</u>	<u>\$ 89,122</u>
\$	(6,032)	\$ (13,773)	\$ (10,830)	\$ (8,750)	\$ (6,509)	\$ (19,146)
\$	23,048	\$ 23,854	\$ 12,999	\$ 12,739	\$ 14,207	12,127
	(18,509)	(19,124)	(8,127)	(7,432)	(8,774)	(7,766)
	-	-	-	-	-	(9,750)
	-	175	-	-	-	-
	-	-	-	-	(4,208)	-
	-	12,014	-	3,244	4,293	2,591
	-	-	-	-	-	19,950
\$	<u>4,539</u>	<u>\$ 16,919</u>	<u>\$ 4,872</u>	<u>\$ 8,551</u>	<u>\$ 5,518</u>	<u>\$ 17,152</u>
\$	<u>(1,493)</u>	<u>\$ 3,146</u>	<u>\$ (5,958)</u>	<u>\$ (199)</u>	<u>\$ (991)</u>	<u>\$ (1,994)</u>
	9.5%	19.5%	7.4%	7.5%	7.0%	0.2%

City of Greenville
 Greenville Utilities Commission - Revenue Base
 Last Ten Fiscal Years

Table 5

Fiscal Year	Electric kWh Sold		Water Kgal Sold		Gas ccf Sold	
	Residential	Commercial and Industrial	Residential	Commercial and Industrial	Residential	Commercial and Industrial
2004	\$ 605,165,310	\$ 913,099,749	\$ 1,849,412	\$ 1,368,166	\$ 8,189,959	\$ 12,818,087
2005	600,001,241	900,185,280	1,877,758	1,280,264	7,907,363	14,946,889
2006	626,475,047	910,780,491	1,959,878	1,303,545	7,017,145	15,070,393
2007	632,461,374	929,415,069	2,018,787	1,212,248	7,483,501	18,800,489
2008	660,765,253	968,854,997	2,154,763	1,440,881	7,052,603	19,715,238
2009	688,061,414	945,415,302	2,133,699	1,410,934	8,544,675	20,245,245
2010	701,375,321	948,750,414	2,101,457	1,343,535	9,071,756	22,171,860
2011	735,045,523	976,964,873	2,189,035	1,516,854	9,204,734	23,200,508
2012	659,675,766	973,189,826	2,099,783	1,685,842	6,446,047	21,800,184
2013	695,864,293	960,802,492	2,030,472	1,827,090	8,770,015	22,650,139

City of Greenville

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Table 6

<u>Fiscal Year Ended June 30</u>	<u>Real Property Residential and Commercial Property</u>	<u>Personal Property Motor Vehicle and Other Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>(2) Total Direct Tax Rate</u>	<u>Estimated Actual Taxable/Market Value</u>	<u>(1) Assessed Value as a Percentage of Market Value</u>
2004	\$ 2,486,194,940	\$ 621,986,475	\$ 3,108,181,415	\$ 0.0615	\$ 3,898,872,824	79.72%
2005	3,216,339,298	624,081,173	3,840,420,471	0.0056	3,883,920,379	98.88%
2006	3,363,220,215	705,595,820	4,068,816,035	0.0056	4,205,494,610	96.75%
2007	3,926,388,821	580,382,679	4,506,771,500	0.0056	4,866,923,867	92.60%
2008	4,160,752,821	596,214,107	4,756,966,929	0.0056	5,401,961,082	88.06%
2009	5,190,768,565	616,651,923	5,807,420,488	0.0052	5,840,125,189	99.44%
2010	5,389,644,817	576,155,778	5,965,800,595	0.0052	6,086,930,512	98.01%
2011	5,597,578,846	404,914,485	6,002,493,331	0.0052	6,083,402,585	98.67%
2012	5,494,929,423	618,532,115	6,113,461,558	0.0052	6,157,177,519	99.29%
2013	5,228,378,854	629,311,731	5,857,690,585	0.0052	5,865,902,849	99.86%

(1) Source: Pitt County Tax Assessor's Office

Public service companies appraised each year included in total values on this schedule.

Total assessed values are net of abatements.

(2) Per \$100 value

City of Greenville
 Greenville Utilities Commission - Direct and Overlapping Revenue Rates
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Electric (per kWh)					
Residential	\$ 0.1015	\$ 0.1031	\$ 0.1111	\$ 0.1151	\$ 0.1145
Commercial & Industrial	0.0769	0.0785	0.0860	0.0897	0.0886
Water (per kgal)					
Residential	3.4133	3.5513	3.7398	3.7640	4.0708
Commercial & Industrial	2.2364	2.3560	2.4885	2.4955	2.5912
Gas (per ccf)					
Residential	1.4087	1.6255	2.0860	1.9046	2.0073
Commercial & Industrial	0.9665	1.1842	1.4503	1.2560	1.3225

Source: Greenville Utilities Commission

Table 7

	2009	2010	2011	2012	2013
\$	0.1241	\$ 0.1280	\$ 0.1290	\$ 0.1310	\$ 0.1299
	0.0993	0.1031	0.1038	0.1025	0.1027
	4.2999	4.3392	4.5887	5.0031	5.0344
	2.7337	2.7720	2.8823	3.0610	2.8911
	1.8639	1.5896	1.4856	1.5097	1.3558
	1.4106	1.0519	1.0119	0.9488	0.8636

City of Greenville
 Property Tax Rates
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Table 8

Fiscal Year	Overlapping Rates				
	City of Greenville		Pitt County		Total Direct & Overlapping Rates
	Rate Per \$100	Total City Levy	Rate Per \$100	Total County Levy	
2004	\$ 0.615	\$ 19,048,466	\$ 0.700	\$ 45,509,940	\$ 64,558,406
2005	0.560	21,426,583	0.700	54,824,840	76,251,423
2006	0.560	22,714,734	0.700	57,424,150	80,138,884
2007	0.560	25,237,917	0.700	60,298,700	85,536,617
2008	0.560	26,650,553	0.700	65,331,289	91,981,842
2009	0.520	30,211,997	0.665	78,367,343	108,579,340
* 2010	0.520	31,039,086	0.665	75,642,267	106,681,353
2011	0.520	30,838,534	0.665	76,968,291	107,806,825
2012	0.520	31,389,341	0.665	76,906,068	108,295,409
* 2013	0.052	30,005,085	0.680	76,846,937	106,852,022

* Last date for revaluation. Revaluation occurs every four years

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City of Greenville
Principal Property Taxpayers
12/31/2012 for Fiscal Year 2013

<u>Taxpayer</u>	<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Marelda Greenville Mall LLC	\$ 40,480,296	1	0.67%
Sprint Communications			
Copper Beech Townhome Communities	34,605,790	2	0.57%
Colonial Realty LP Shopping Center			
PL Greenville LP Apartments	29,073,633	3	0.48%
Wachovia Bank			
Carolina Telephone	28,638,317	4	0.47%
Treybrook LLC Apartments			
Pep Core NNC I LLC Apartments	23,978,251	5	0.40%
Speight, Joseph D. Developer			
Corridor Greenville LLC Apartments	23,470,294	6	0.39%
Pirates Cover of Greenville LTD Apartments			
Pep Core NNC II LLC Apartments	20,033,800	7	0.33%
Heritage Property Investments Shopping Center			
Centro Heritage UC Greenville LLC Shopping Center	19,161,577	8	0.32%
Ward Family, LLC Developer			
Bill Clark Homes of Greenville LLC Builder	18,776,442	9	0.31%
Wal-Mart			
Scion Virtus Greenville LLC Apartments	18,531,967	10	0.31%
Totals	<u>\$ 256,750,367</u>		<u>4.45%</u>

Note: Information obtained from Pitt County Government

Table 9

2003		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 33,137,000	1	1.12%
23,673,000	2	0.80%
17,311,000	3	0.58%
16,550,000	4	0.56%
16,202,000	5	0.55%
15,670,000	6	0.53%
11,248,000	7	0.38%
10,567,000	8	0.36%
9,992,000	9	0.34%
9,778,000	10	0.33%
<u>\$ 164,128,000</u>		<u>5.53%</u>

City of Greenville
 Top Customers
 Greenville Utilities Commission
 Current Year and Nine Years Ago

Table 10
 Page 1 of 4

Electric Fund		Fiscal Year 2013		Fiscal Year 2004	
		Amount Billed	Percentage of Total Revenue	Amount Bill	Percentage of Total Revenue
Customer	Product/Service				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 6,898,675	3.68%	\$ 6,801,462	5.17%
Vidant Medical Center1	Health Care	5,248,948	2.80%	3,805,360	2.89%
East Carolina University	Education	4,722,671	2.52%	2,634,288	2.00%
DSM Dyneema, LLC	High Performance Fibers	4,004,949	2.13%	-	
East Carolina University	Education	3,309,054	1.76%	2,283,828	1.73%
Attends Healthcare Products2	Medical Products	3,122,023	1.66%	1,674,402	1.27%
East Carolina University	Education	2,102,771	1.12%	1,752,632	1.33%
Vidant Medical Center1	Health Care	1,777,981	0.95%	-	
ASMO of Greenville	Motors	1,511,554	0.81%	-	
NACCO Material Handling	Fork Lift Trucks	1,262,624	0.67%	853,046	0.65%
Robert Bosch Tool Corp.3	Drill Bits	-		1,105,655	0.84%
TRW	Steering Components	-		1,048,816	0.80%
Rubbermaid Cleaning Products	Cleaning Products	-		792,540	0.60%
Totals		<u>\$ 33,961,250</u>	<u>18.1%</u>	<u>\$ 22,752,029</u>	<u>17.28%</u>

City of Greenville

Top Customers

Greenville Utilities Commission

Table 10

Current Year and Nine Years Ago

Page 2 of 4

Water Fund

Customer	Product/Service	Fiscal Year 2013		Fiscal Year 2004	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Town of Farmville	Government	\$ 682,978	4.41%	\$ -	
DSM Pharmaceuticals, Inc.	Pharmaceuticals	657,614	4.24%	452,918	4.83%
Vidant Medical Center1	Health Care	238,997	1.54%	198,396	2.12%
DSM Dyneema, LLC	High Performance Fibers	108,053	0.70%	-	
Town of Winterville	Government	96,517	0.62%	-	
Fuji Silysia Chemical USA, LTD	Silica Gel	72,869	0.47%	55,029	0.59%
East Carolina University	Education	71,905	0.46%	47,526	0.51%
Vidant Medical Center1	Health Care	67,912	0.44%	-	
Vidant Medical Center1	Health Care	65,106	0.42%	-	
Greenville Housing Authority	Apartments	52,335	0.34%	53,680	0.57%
Karastan Bigelow	Carpet Yarn	-		76,581	0.82%
East Carolina University	Education	-		29,319	0.31%
Greenville Housing Authority	Apartments	-		39,401	0.42%
Greystone MHP	Mobile Home Park	-		26,908	0.29%
Pitt County	Government	-		29,242	0.31%
Totals		\$ 2,114,286	13.64%	\$ 1,009,000	10.77%

City of Greenville
 Top Customers
 Greenville Utilities Commission
 Current Year and Nine Years Ago

Table 10
 Page 3 of 4

Sewer Fund		Fiscal Year 2013		Fiscal Year 2004	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 756,068	4.43%	\$ 558,694	5.56%
Town of Bethel	Government	445,843	2.62%	82,110	0.82%
Vidant Medical Center1	Health Care	406,135	2.38%	336,323	3.35%
DSM Dyneema, LLC	High Performance Fibers	287,639	1.69%	-	
Fuji Silysia Chemical USA, LTD	Silica Gel	130,523	0.77%	98,353	0.98%
East Carolina University	Education	122,076	0.72%	80,213	0.80%
Vidant Medical Center1	Health Care	112,175	0.66%	-	
Vidant Medical Center1	Health Care	110,555	0.65%	-	
Pitt County	Government	57,777	0.34%	49,019	0.49%
Town of Grimesland	Government	55,143	0.32%	-	
Greenville Housing Authority	Apartments	-		67,647	0.67%
Karastan Bigelow	Carpet Yarn	-		138,224	1.38%
East Carolina University	Education	-		49,159	0.49%
Greenville Housing Authority	Apartments	-		49,766	0.50%
Totals		<u>\$ 2,483,934</u>	<u>14.58%</u>	<u>\$ 1,509,508</u>	<u>15.04%</u>

City of Greenville
 Top Customers
 Greenville Utilities Commission
 Current Year and Nine Years Ago

Table 10
 Page 4 of 4

Gas Fund		Fiscal Year 2013		Fiscal Year 2004	
		Annual Revenue	Percentage of Total Revenue	Annual Revenue	Percentage of Total Revenue
Customer	Product/Service				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 3,022,635	9.63%	\$ 352,678	1.47%
East Carolina University	Education	2,889,629	9.21%	1,268,801	5.30%
Vidant Medical Center ¹	Health Care	1,780,473	5.68%	778,408	3.25%
DSM Dyneema, LLC	High Performance Fibers	1,027,759	3.28%	-	
East Carolina University	Education	910,058	2.90%	406,894	1.70%
DSM Dyneema, LLC	High Performance Fibers	732,396	2.33%	-	
Vidant Medical Center ¹	Health Care	598,668	1.91%	-	
Fuji Silysia Chemical USA, LTD	Silica Gel	393,416	1.25%	391,215	1.64%
Metrics, Inc.	Pharmaceuticals Manufacturing	354,926	1.13%	225,083	0.94%
NACCO Material Handling	Fork Lift Trucks	302,919	0.97%	473,007	1.98%
TRW	Steering Components	-		292,520	1.22%
Karastan Bigelow	Carpet Yarn	-		301,191	1.26%
Greenville Housing Authority	Apartments	-		227,155	0.95%
Totals		<u>\$ 12,012,879</u>	<u>38.29%</u>	<u>\$ 4,716,952</u>	<u>19.71%</u>

¹ Formerly Pitt County Memorial Hospital

² Formerly Paper Pak Products, Inc.

³ Formerly Vermont American Corp.

Note: Information gathered from the Greenville Utilities Commission's billing system.

City of Greenville
 General Fund Tax Revenues By Source
 Last Ten Fiscal Years

Table 11

<u>Fiscal Year</u>	<u>*** Property Tax</u>	<u>Sales Tax</u>	<u>* Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>** Other Taxes</u>	<u>Total</u>
2004	\$ 19,031,401	\$ 10,111,043	\$ 4,086,532	\$ 272,651	\$ 864,077	\$ 34,365,704
2005	21,324,960	11,414,678	4,121,389	291,246	868,001	38,020,274
2006	22,564,688	12,693,295	4,729,698	298,254	782,888	41,068,823
2007	23,896,190	13,592,797	5,068,888	311,689	107,038	42,976,602
2008	26,295,736	14,321,873	5,190,851	332,734	108,852	46,250,046
2009	29,715,153	13,552,575	6,104,795	345,500	104,950	49,822,972
2010	30,580,836	12,983,004	6,385,550	115,658	103,446	50,168,494
2011	30,748,643	13,393,038	6,488,728	363,923	132,731	51,127,063
2012	31,567,318	14,694,476	6,442,004	368,940	121,759	53,194,497
2013	30,275,832	14,672,441	6,360,313	343,423	118,679	51,770,688

* Franchise Tax includes Cable TV and Utilities Franchise taxes

** Includes Motor Vehicle Municipal Tax / Prior to 2003 includes Intangibles Tax

*** Net of Collection Fees

Note: Beginning fiscal year 2006-2007 Motor Vehicle Tax included as part of Property Tax

City of Greenville
 Property Tax levies and Collections
 Last Ten Fiscal Years

Table 12

Fiscal Year Ended June 30	(1)						
	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2004	\$ 19,048,466	\$ 18,293,964	96.04%	\$ 670,903	\$ 18,963,278	99.55%	
2005	21,426,583	20,592,449	96.11%	681,300	21,272,240	99.28%	
2006	22,714,734	21,946,245	96.62%	697,422	22,641,648	99.68%	
2007	25,237,917	24,356,252	96.51%	788,237	25,139,394	99.61%	
2008	26,650,553	25,866,384	97.06%	703,498	26,563,198	99.67%	
2009	30,211,997	29,330,914	97.08%	764,588	30,082,627	99.57%	
2010	31,039,086	30,202,323	97.30%	726,440	30,900,902	99.55%	
2011	30,838,534	29,811,533	96.67%	881,279	30,604,858	99.24%	
2012	31,389,341	30,505,550	97.18%	643,739	30,505,550	97.18%	
2013	30,005,085	29,195,139	97.30%		29,195,139	97.30%	

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

City of Greenville
 Ratio of Outstanding Debt by Type
 Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Revenue Bonds
	General Obligation Bonds	Special Assessment Bonds	Certificates of Participation	Installment Purchase Contracts		
2004	\$ 7,455	\$ 6,160	\$ 10,305	\$ 2,668	\$ 69,219	
2005	6,805	5,905	25,105	3,557	64,846	
2006	6,085	5,640	23,640	3,770	68,271	
2007	12,990	5,365	22,180	2,522	74,136	
2008	12,150	5,080	20,715	1,004	99,842	
2009	11,315	4,785	12,195	12,182	94,882	
2010	10,486	4,475	11,380	11,007	89,072	
2011	12,980	4,155	10,565	10,007	83,976	
2012	12,012	3,968	9,750	9,016	78,259	
2013	11,051	3,570	-	20,303	79,646	

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

Table 13

Business-type Activities					
General Obligation Bonds	Installment Purchase Contracts	Other Debt	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 8,090	\$ 1,486	\$ 17,757	\$ 123,140	2.78%	\$ 1,811
6,885	1,406	18,201	132,710	2.80%	1,923
5,710	1,208	19,669	133,993	2.64%	1,861
9,665	992	20,287	148,137	2.73%	2,057
8,460	805	18,882	166,938	2.94%	2,197
7,304	744	19,926	163,333	2.83%	2,016
6,109	549	28,587	161,665	2.71%	1,996
4,967	2,445	29,082	158,177	2.56%	1,883
4,570	2,972	29,055	149,602	(1)	1,781
4,404	3,447	32,500	154,921	(1)	1,781

City of Greenville
 Ratio of General Bonded Debt Outstanding
 Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Table 14

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
2004	96,552	366	96,186	2.17%	2.47%	1,407
2005	41,372	1,313	40,059	0.84%	1.03%	576
2006	39,135	1,409	37,726	0.74%	0.90%	524
2007	43,057	1,756	41,301	0.76%	0.85%	572
2008	38,949	806	38,143	0.65%	0.71%	501
2009	40,478	916	39,562	0.69%	0.68%	488
2010	37,347	892	36,455	0.62%	0.60%	446
2011	37,708	943	36,765	0.59%	0.60%	435
2012	34,746	979	33,767	(1)	0.55%	393
2013	39,328	943	38,385	(1)	0.62%	390

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

Note 5: Fiscal Year 2013 adjusted based on comments per GFOA

(1) Information not available for this period

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City of Greenville

Legal Debt Margin - Governmental Activities

Last Ten Fiscal Years ('000s)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 247,481	\$ 304,705	\$ 325,000	\$ 360,000
Total net debt applicable to limit	<u>34,019</u>	<u>47,759</u>	<u>39,135</u>	<u>43,057</u>
Legal debt margin	<u>\$ 213,462</u>	<u>\$ 256,946</u>	<u>\$ 285,865</u>	<u>\$ 316,943</u>
Total net debt applicable to the limit as a percentage of debt limit	13.75%	15.67%	12.04%	11.96%

Legal Debt Margin Calculation for Fiscal Year 2013

- Assessed value
- Debt Limit (8% of total assessed value)
- Debt applicable to limit:
 - General obligation bonds
 - Certificates of Participation
 - Special obligation revenue
 - Revenue bonds
 - Other Debt
 - Legal debt margin

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.

Table 15

2008	2009	2010	2011	2012	2013
\$ 380,000	\$ 464,000	\$ 477,264	\$ 474,012	\$ 489,077	\$ 468,615
38,949	40,478	45,433	42,568	34,746	34,924
<u>\$ 341,051</u>	<u>\$ 423,522</u>	<u>\$ 431,831</u>	<u>\$ 431,444</u>	<u>\$ 454,331</u>	<u>\$ 433,691</u>
10.25%	8.72%	9.52%	8.98%	7.10%	7.45%

\$ 5,766,662,189
 461,332,975
 15,454,999
 -
 3,570,000
 80,643,105
 56,332,502
\$ 305,332,369

City of Greenville
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2013

Table 16

<u>Governmental Unit</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping			
Pitt County	\$ 164,434,128	39.05%	\$ 64,211,527
Direct			
City of Greenville			34,923,759
Total direct and overlapping debt			<u>\$ 99,135,286</u>

Note: Amounts expressed in thousands

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

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City of Greenville
 Pledged Revenue Coverage
 Last Ten Fiscal Years

Fiscal Year	Utility Fund Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service Requirement (3)			Coverage
				Principal	Interest	Total	
2004	183,609	157,695	25,914	4,770	3,829	8,599	3.26
2005	192,272	167,660	24,611	5,074	3,451	8,525	2.95
2006	217,706	189,991	27,716	6,050	4,007	10,057	2.76
2007	229,213	200,430	28,783	5,392	3,624	9,015	3.19
2008	239,417	206,067	33,350	5,972	3,799	9,772	3.41
2009	260,505	229,007	31,498	6,375	3,364	9,739	3.23
2010	261,518	228,538	32,980	7,331	4,567	11,899	2.77
2011	273,936	236,102	38,569	8,368	4,905	13,273	2.91
2012	261,582	226,583	34,730	8,890	4,230	13,120	2.65
2013	264,251	228,067	36,185	9,388	4,061	13,450	2.69

Note: Amounts expressed in thousands.

- (1) Total revenues including interest and exclusive of any restricted revenue. Includes revenues for the electric, water, sewer and gas funds
- (2) Total operating expenses exclusive of depreciation.
- (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.

Table 17

Special Assessment Bonds			
Special Assessment Collections	Debt Service Principal	Interest	Coverage
571	245	293	1.06
557	255	284	1.03
695	265	273	1.29
661	275	263	1.23
758	285	252	1.41
795	295	240	1.49
807	310	228	1.50
839	320	215	1.57
965	325	185	1.89
940	398	112	1.84

City of Greenville
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Table 18

Fiscal Year	(2) Population	Personal Income (amounts expressed in thousands)	Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2004	68,371	\$ 4,435,968	\$ 26,947	31	21,812	5.5%
2005	69,517	4,741,108	28,208	32	22,116	5.1%
2006	72,052	5,082,000	29,261	32	22,609	5.4%
2007	72,233	5,431,783	30,403	31	22,994	5.3%
2008	76,058	5,845,865	31,884	31	23,240	7.5%
2009	81,092	5,719,905	30,615	30	23,022	10.9%
2010	81,747	5,888,934	30,970	31	23,267	9.8%
2011	84,554	6,187,507	32,111	26	23,235	7.8%
2012	86,017	(1)	(1)	(1)	23,386	10.6%
2013	87,242	(1)	(1)	(1)	23,495	9.6%

Note 1: Population and Personal Income obtained from U.S. Bureau of Economic Analysis.
 Note 2: Personal Income and Per Capita information is calculated on a County level. Information not maintained at City level.
 Note 3: Median age, and educational level information are based on surveys conducted during the last quarter of the calendar year.
 School information obtained from the Superintendent's Office of the Pitt County School Administrative Unit.
 Note 4: Unemployment rates obtained from Employment Security Commission.

(1) Information unavailable for this period
 (2) Information is provided as of July 1 of the fiscal year

City of Greenville
Principal Employers
Current Year and Nine Years Ago

Table 19

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vidant Health	6,857	1	9.65%	5,026	1	8.09%
East Carolina University	5,392	2	7.59%	4,184	2	6.74%
Pitt County Public Schools	2,754	3	3.88%	2,600	3	4.19%
DSM Pharmaceuticals (Catalytica)	1,500	4	2.11%	1,200	4	1.93%
TRC, Inc.	1,100	5	1.55%	260		0.42%
NACCO Materials Handling Group	1,000	6	1.41%	1,100	5	1.77%
Pitt Community College	953	7	1.34%	815	7	1.31%
County of Pitt	914	8	1.29%	975	6	1.57%
City of Greenville	764	9	1.08%	652	9	1.05%
Physicians East	535	10	0.75%	500		0.81%
Wal-Mart	470		0.66%	400		0.64%
Greenville Utilities Commission	435		0.61%	425		0.68%
Alliance One International	825		1.16%	500		0.00%
Collins & Aikman Corp	-		0.00%	700	8	1.13%
ASMO Greenville of NC, Inc	535		0.00%	550	10	0.89%
Total	<u>24,034</u>		<u>33.08%</u>	<u>19,887</u>		<u>31.22%</u>

Note: Information obtained from Pitt County Development Commission.

City of Greenville
 Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

	2004	2005	2006	2007
Function				
General government	51	56	59	58
Public safety:				
Police	210	212	219	211
Fire	130	142	143	143
Public Works	186	188	192	199
Recreation and Parks	59	57	59	61
Planning and Community Development	25	24	24	32
Electric	181	183	182	196
Water and Sewer	87	91	92	85
Gas	68	67	68	65
Total Employees	<u>997</u>	<u>1,020</u>	<u>1,038</u>	<u>1,050</u>

Note: Electric, Water, Sewer, and Gas prior years numbers has changed due to Greenville Utilities Commission and supporting departments.

Source: Financial Services Department and Greenville and Greenville Utilities Commission.

Table 20

2008	2009	2010	2011	2012	2013
67	68	68	68	62	65
223	278	239	239	240	240
145	158	157	157	157	153
203	205	205	205	204	204
53	62	62	62	65	65
33	25	26	26	26	34
196	200	142	105	105	100
98	102	116	111	111	111
82	66	51	41	36	38
<u>1,100</u>	<u>1,164</u>	<u>1,066</u>	<u>1,014</u>	<u>1,006</u>	<u>1,010</u>

City of Greenville
 Operating Indicators by Function
 Last Ten Fiscal Years

	2004	2005	2006	2007
Function				
Police				
Physical arrests	4,599	4,722	3,507	4,497
Parking violations	*	*	*	2,303
Traffic violations	22,003	21,908	24,508	19,998
Fire				
Number of calls answered	2,530	3,062	3,598	4,152
Inspections		3,500	3,400	2,162
EMS				
Number of calls answered	9,136	9,190	9,885	10,725
Sanitation				
Refuse collected (tons/day)	28,120	25,676	27,182	27,322
Recyclables collected (tons/day)	1,804	1,850	1,792	1,816
Culture and recreation				
Facility reservations issued	467	393	715	817
Water				
Connections (of service connect)	28,538	29,540	30,829	32,065
Water Lines (miles)	550	565	580	593
Average daily consumption (thousands of gallons)	9,476	9,845	8,941	10,264
Wastewater				
Average daily sewage treatment (thousands of gallons)	9,944	8,895	9,345	10,587

Sources: Various government and GUC departments.

* Information unavailable

Table 21

2008	2009	2010	2011	2012	2013
4,756	5,141	4,826	4,888	4,861	5,592
13,392	15,112	11,862	4,658	5,537	7,522
18,088	17,527	20,326	16,235	15,420	16,975
4,388	4,711	4,114	4,746	5,339	5,479
3,500	2,340	2,644	2,787	2,593	1,902
11,198	11,227	13,035	15,149	15,006	15,080
27,442	28,458	29,163	28,286	29,309	27,888
3,056	3,030	3,599	4,038	5,538	5,101
916	1,140	1,560	1,936	2,013	1,841
33,051	33,733	34,336	34,419	34,514	34,742
615	618	626	626	628	628
10,797	10,785	10,977	11,850	11,896	12,008
9,152	8,879	10,120	9,593	10,301	10,426

City of Greenville
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	2004	2005	2006	2007
Public safety				
Police Stations	1	1	1	1
Patrol units	151	159	160	174
Fire stations	5	6	6	6
Sanitation				
Collection trucks	36	36	37	37
Highways and streets				
Streets (miles)	212.0	220.0	230.1	234.3
Streetlights	5,529	5,785	5,983	6,166
Traffic signals	26	26	27	27
Culture and recreation				
Parks acreage	1,300	1,475	1,500	1,511
Parks	27	29	29	29
Swimming pools	2	2	2	2
Spraygrounds	-	-	-	-
Tennis courts	24	24	24	24
Community centers	11	13	13	13
Recreation Centers	(24)	(24)	-	-
Specialty Centers	-	-	-	-

Table 22

Page 1 of 2

2009	2010	2011	2012	2013
1	2	3	3	3
180	183	192	203	203
6	6	6	6	6
42	42	42	42	41
255.0	263.8	269.9	269.0	269.1
6,672	6,672	6,993	7,065	7,105
33	33	33	33	33
1,450	1,450	1,455	1,455	1,455
29	29	29	29	29
2	2	2	2	2
-	-	-	-	1
24	24	24	24	24
5	5	2	3	3
6	6	6	6	6
-	-	3	3	3

City of Greenville
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	2004	2005	2006	2007
Electric				
Number of distribution stations	17	17	17	17
Miles of service lines	2,384	2,447	2,474	2,509
Water				
Water lines (miles)	550	565	580	593
Maximum daily treatment capacity (gallons)	24.5	24.5	24.5	24.5
Sewer				
Sanitary sewers (miles)	404	423	435	448
Maximum daily treatment capacity (gallons)	17.5	17.5	17.5	17.5
Gas				
Miles of pipeline	509	530	545	562
Miles of service lines	359	375	398	394

Note: Gallons expressed in millions

Table 22
Page 2 of 2

2008	2009	2010	2011	2012	2013
18 2,575	18 2,575	19 2,575	19 2,672	19 2,714	19 2719
615 24.5	618 24.5	618 24.5	626 24.5	628 24.5	628 24.5
464 17.5	466 17.5	468 17.5	469 17.5	471 17.5	479 17.5
581 421	593 423	597 422	600 424	604 430	609 434

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single audit & **compliance section**



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"A Professional Association of Certified Public Accountants and Management Consultants"

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

Independent Auditor’s Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprises the City of Greenville’s basic financial statements, and have issued our report thereon dated October 31, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Greenville’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Greenville’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies, 2013-001 and 2013-002, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085
Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greenville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit; and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002.

City of Greenville's Responses to Findings

The City of Greenville's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements; and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 31, 2013

**MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.**

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; in Accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditor’s Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Greenville, North Carolina, compliance with the types of compliance requirements described in the *OMB Circular A-133 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 of Greenville’s major Federal programs for the year ended June 30, 2013. The City of Greenville’s major Federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Greenville’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 OMB Circular A 133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 of Greenville’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 of Greenville's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Greenville 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, 2013.

Report on Internal Control Over Compliance

Management of the City of Greenville 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 of Greenville's internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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, non-compliance 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 non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 31, 2013

**MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.**

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Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; in Accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditor’s Report

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

Report on Compliance for Each Major State Program

We have audited the City of Greenville, North Carolina, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission that could have a direct and material effect on each of the City of Greenville’s major State programs for the year ended June 30, 2013. The City of Greenville’s major State programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Greenville’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 and *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A 133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 of Greenville’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 of Greenville's compliance.

Opinion on Each Major State Program

In our opinion, the City of Greenville 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, 2013.

Report on Internal Control Over Compliance

Management of the City of Greenville 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 of Greenville's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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, non-compliance 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 non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 31, 2013

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

- Material weakness identified X Yes No
- Significant deficiency identified that are not considered to be a material weakness Yes X None reported

Non-compliance material to financial statements noted X Yes No

Federal Awards

Internal control over major Federal programs:

- Material weakness identified Yes X No
- Reportable condition identified that are not considered to be material weaknesses Yes X 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 Section 510(a) of OMB Circular A-133 Yes X No

Identification of major Federal programs:

<u>Program Name</u>	<u>CFDA#</u>
CDBG Entitlement Grant Cluster	14.218, 14.253, 14.254
CDBG HOME Investment Program Grant	14.239
Federal Transit Cluster	20.500, 20.507, 20.525, 20.526
Public Safety Partnership and Community Policing Grant (COPS)	16.710
Emergency Operations Center Grant	97.052
GUC-Capitalization Grants for Drinking Water State Revolving Fund	66.468
GUC-Capitalization Grants for Clean Water State Revolving Fund	66.458

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000

Auditee qualified as low-risk auditee? No

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

State Awards

Internal control over major State programs:

- Material weakness identified Yes No
- Significant deficiency identified that are not considered to be material weaknesses Yes None reported

Type of auditor's report issued on compliance for major State programs Modified Unmodified

Any audit findings disclosed are required to be reported in accordance with the State Single Audit Implementation Act Yes No

Identification of major State programs:

- Powell Bill

2. **Financial Statements Findings**

Finding 2013-001

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: Errors were discovered with regards to Library and Airport health insurance reimbursement amounts recognized in the General Fund and the Health Insurance Internal Service Fund. The effect of such errors resulted in an understatement of General Fund fund balance and an overstatement of the Health Insurance Fund net position by \$377,715 in the prior year. In addition, errors were discovered with regards to Pitt-Greenville Convention & Visitors Authority health insurance reimbursement amounts recognized in the Health Insurance Internal Service Fund. The effect of such errors resulted in an overstatement of the Health Insurance Fund net position by \$50,079 in the prior year. As of June 30, 2013, fund balance for the General Fund has been restated by \$377,715 and the Health Insurance Internal Service Fund's net position has been restated by \$422,794. In addition, governmental activities in the Statement of Net Position have been restated by \$17,973,735 to record the City's equity interest in the Pitt-Greenville Airport Authority.

Context: While performing testing on the Health Insurance Internal Service Fund, we noted the conditions described above.

Effect: For the statements affected, the prior year financial statements were misstated.

Cause: Inadequate monitoring of monthly insurance balances owed to the City by external parties and inadequate supporting documentation provided to the external auditor who drafted the report and/or inadequate interpretation of the data provided to the external auditor who drafted the report.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Recommendation: Additional review of the audited financial statements should be implemented to prevent prior period adjustments in the future.

Contact Person: Bernita Demery, Director of Financial Services

Views of Responsible Officials and Planned Corrective Actions: This error was discovered by City management during the year-end review of balances owed by the related parties; the Library, Airport and/or CVA. The current financial system that is used by the City is not suitable to allow for proper interfacing between an Internal Service Fund and a governmental fund. As such, several transactions were manual in nature and any duplicate bookings were not discovered in a timely fashion. This accounting has been done since the inception of the new Health Insurance Fund. To remedy this concern, staff has reduced the number of employees that initiate health insurance billings to mitigate the chance of duplicate entries. Additionally, management will continue to review monthly both the General Fund and Health Insurance Fund for reasonableness when looking at expensed amounts for health insurance. Management concurs with these finding and will continue to review financial statement to prevent prior period adjustments.

Finding 2013-002

Criteria: North Carolina General Statutes preclude units from having funds that operate in a deficit.

Condition: In the current year, there were violations of the General Statutes regarding deficit fund balance and fund equity in various funds.

Context: During our audit procedures, we noted violations of the General Statutes noted above.

Effect: The City was in violation of a North Carolina General Statute.

Cause: The City adopted a balance budget; however, revenues were insufficient to cover the cost of operations in multiple funds.

Recommendation: The City should reevaluate the cost of providing services and adjust charges to ensure that revenues cover all related costs.

Contact Person: Bernita Demery, Director of Financial Services

Views of Responsible Officials and Planned Corrective Actions: Several funds identified to have operated in the deficit are directly related to grant activity (i.e., these funds are reimbursed after spending has occurred). Therefore, there is a timing difference between spending and reimbursement. As such, staff will continue to review these grant funds with departments to ensure billing (for reimbursement) occurs prior to year-end. Other funds identified will be adjusted based on future charges from customers. Management concurs with the condition and the recommendation. Management also adds that procedures and long-term plans have been put in place to further monitor current charges to ensure that revenues cover all related costs.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

CITY OF GREENVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Not applicable – no findings in prior year.

City of Greenville, North Carolina**Notes to Schedule of Expenditures of Federal and State Awards****Year Ended June 30, 2013**

Note 1. General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of federal and state financial assistance programs of the City of Greenville, North Carolina. The City of Greenville, North Carolina reporting entity is defined in Note 1 of the City's basic financial statements. All federal and state financial assistance received directly from federal and State agencies as well as federal assistance passed through other government agencies is included on the schedule.

Note 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting which is described in the notes to the City's basic financial statements.

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number/ State Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
FEDERAL FINANCIAL ASSISTANCE:						
U.S. Department of Housing and Urban Development						
Pass-through N. C. Department of Commerce						
CDBG Entitlement Grants Cluster:						
CDBG Entitlement Grant- Plan Year 2003	14.218	B-04-MC-37-0020	\$ -	\$ -	\$ -	\$ -
CDBG Entitlement Grant- Plan Year 2005	14.218	B-05-MC-37-0020	-	-	-	-
CDBG Entitlement Grant- Plan Year 2006	14.218	B-06-MC-37-0020	-	-	-	-
CDBG Entitlement Grant- Plan Year 2007	14.218	B-07-MC-37-0020	-	-	-	-
CDBG Entitlement Grant- Plan Year 2008	14.218	B-08-MC-37-0020	-	-	-	-
CDBG Entitlement Grant- Plan Year 2009	14.218	B-09-MC-37-0020	125	-	53	178
CDBG Entitlement Grant- Plan Year 2010	14.218	B-10-MC-37-0020	786	-	332	1,118
CDBG Entitlement Grant- Plan Year 2011	14.218	B-11-MC-37-0020	311,739	-	131,699	443,438
CDBG Entitlement Grant- Plan Year 2012	14.218	B-12-MC-37-0020	129,801	-	54,836	184,637
Total CDBG Entitlement Grants Cluster:			442,451	-	186,920	629,371
HOME Investment Partnership- Plan Year 2003	14.239	M03-DC370211	-	-	-	-
HOME Investment Partnership- Plan Year 2004	14.239	M04-DC370211	-	-	-	-
HOME Investment Partnership- Plan Year 2005	14.239	M05-DC370211	-	-	-	-
HOME Investment Partnership- Plan Year 2006	14.239	M06-DC370211	-	-	-	-
HOME Investment Partnership- Plan Year 2007	14.239	M07-DC370211	-	-	-	-
HOME Investment Partnership- Plan Year 2008	14.239	M08-DC370211	306,335	-	8,016	314,351
HOME Investment Partnership- Plan Year 2009	14.239	M09-DC370211	435,773	-	11,403	447,176
HOME Investment Partnership- Plan Year 2010	14.239	M10-DC370211	89,177	-	2,334	91,511
HOME Investment Partnership- Plan Year 2011	14.239	M11-DC370211	145,385	-	3,804	149,189
HOME Investment Partnership- Plan Year 2012	14.239	M12-DC370211	285,061	-	7,460	292,521
Total U.S. Department of Housing and Urban Development			1,704,182	-	219,937	1,924,119
U.S. Department of Transportation						
Direct Programs -						
Highway Planning and Construction Cluster -Planning Work Program	20.205	PL-104	159,921	-	39,980	199,901
Federal Transit Cluster:						
Federal Transit Administration (515-Operating)	20.507	NC-90-X515	396,735	-	396,735	793,470
Federal Transit Administration (515-Capital)	20.507	NC-90-X515	414,722	-	103,681	518,403
Federal Transit Administration 515-ADA)	20.507	NC-90-X515	108,741	-	27,185	135,926
Federal Transit Administration (0032)	20.507	NC-04-0032	96,876	12,110	12,110	121,095
Public Transportation Assistance (ARRA)	20.507	NC-96-X005	131,791	-	-	131,791
Total Federal Transit Cluster:			1,148,865	12,110	539,711	1,700,685
Public Transportation Division						
Planning Work Program (Section 5303)	20.505	36230.17.9.3	35,670	4,474	4,593	44,737
Total U.S. Department of Transportation			1,344,456	16,584	584,284	1,945,323
U.S. Department of Justice						
Office of Justice Programs						
Public Safety Partnership and Community Policing Grants:						
Cops Technology Grant	16.710	2010-CK-WX-0521	24,013	-	-	24,013
COPS Hiring Recovery (ARRA)	16.710	2009-RK-WX-0573	544,525	-	17,153	561,679
Bureau of Justice Assistance						
JAG Program Cluster:						
JAG 2009	16.592	2009-DJ-BX-0674	6,405	-	-	6,405
JAG 2010	16.592	2010-DJ-BX-0301	9,844	-	-	9,844
JAG 2012	16.592	2012-DJ-BX-1168	63,489	-	-	63,489
JAG Recovery (ARRA)	16.804	2009-SB-B9-2743	15,188	-	-	15,188
Total JAG Program Cluster:			94,925	-	-	94,925
Division of Governor's Crime Commission						
Pitt County Second Chance Program	16.738	PROJ008146	70,849	-	23,616	94,466
Total U.S. Department of Justice			734,313	-	40,770	775,083
Environmental Protection Agency						
Brownfields Assessment Cooperative Agreement						
Pass-through: NC Department of Environment and Natural Resources	66.818	BF-95440609-0	117,050	-	-	117,050
Public Water Supply Division						
Capitalization Grants for Drinking Water State Revolving Fund:						
Drinking Water State Revolving Fund	66.468	DEH-1074	638,985	(137,649)	-	501,336
Capitalization Grants for Clean Water State Revolving Fund:						
Division of Water Quality						
Clean Water State Revolving Fund	66.458	E-SRF-T-08-01080	(21,725)	(5,431)	132,492	105,336
Clean Water State Revolving Fund	66.458	E-SRF-T-10-0261	3,566,446	891,611	-	4,458,057
Clean Water State Revolving Fund	66.458	E-SRL-T-10-0260	5,016,707	1,181,427	-	6,198,134
Total Pass-through NC Department of Environment and Natural Resources			9,200,413	1,929,958	132,492	11,262,863
Total Environmental Protection Agency			9,317,463	1,929,958	132,492	11,379,913
Department of Emergency Management						
F.E.M.A.						
Hurricane Irene	147-28080-00	FEMA-4019-DR-NC	-	-	-	-
Total Department of Emergency Management			-	-	-	-

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number/ State Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
Department of Homeland Security						
F.E.M.A.						
Staffing Adequate Fire & Emergency Response	97.044	EMW-2008-FF-00449	155,288	-	534,992	690,280
Pass-through NC Department of Crime Control and Public Safety						
Urban Search and Rescue Equipment	97.073	2009-SS-T9-0046	1,452	-	-	1,452
Urban Search and Rescue Equipment	97.067	2010-SS-TO-0075	45,000	-	902	45,902
NC Helo Aquatic Rescue Team	97.067	2009-SS-T9-0046	929	-	-	929
Emergency Operations Center	97.052	2010-EO-MX-0029	708,200	-	236,067	944,266
Urban Search and Rescue Communication Equipment	97.042	EMW-2011-EP-00011-S01	30,000	-	-	30,000
Total Pass Through NC Department of Crime Control and Public Safety			<u>785,581</u>	<u>-</u>	<u>236,968</u>	<u>1,022,549</u>
Total Department of Homeland Security			<u>940,869</u>	<u>-</u>	<u>771,960</u>	<u>1,712,829</u>
Department of Energy						
Energy Efficiency Conservation Block Grant (ARRA)	81.128	DE-SC002370	137,199	-	-	137,199
Total Department of Energy			<u>137,199</u>	<u>-</u>	<u>-</u>	<u>137,199</u>
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE						
State of North Carolina						
Department of Transportation						
Division of Highways						
Powell Bill Funds	DOT-4	-	-	1,085,684	-	1,085,684
Public Transportation Division						
State Maintenance Assistance Program	DOT-9	07-SM-010	-	284,545	-	284,545
Total Department of Transportation			<u>-</u>	<u>1,370,229</u>	<u>-</u>	<u>1,370,229</u>
Total Federal and State Assistance			\$ 14,178,482	\$ 3,316,770	\$ 1,749,442	\$ 19,244,695

Note to the Schedule of Expenditures of Federal and State Financial Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of the City of Greenville, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

the end



