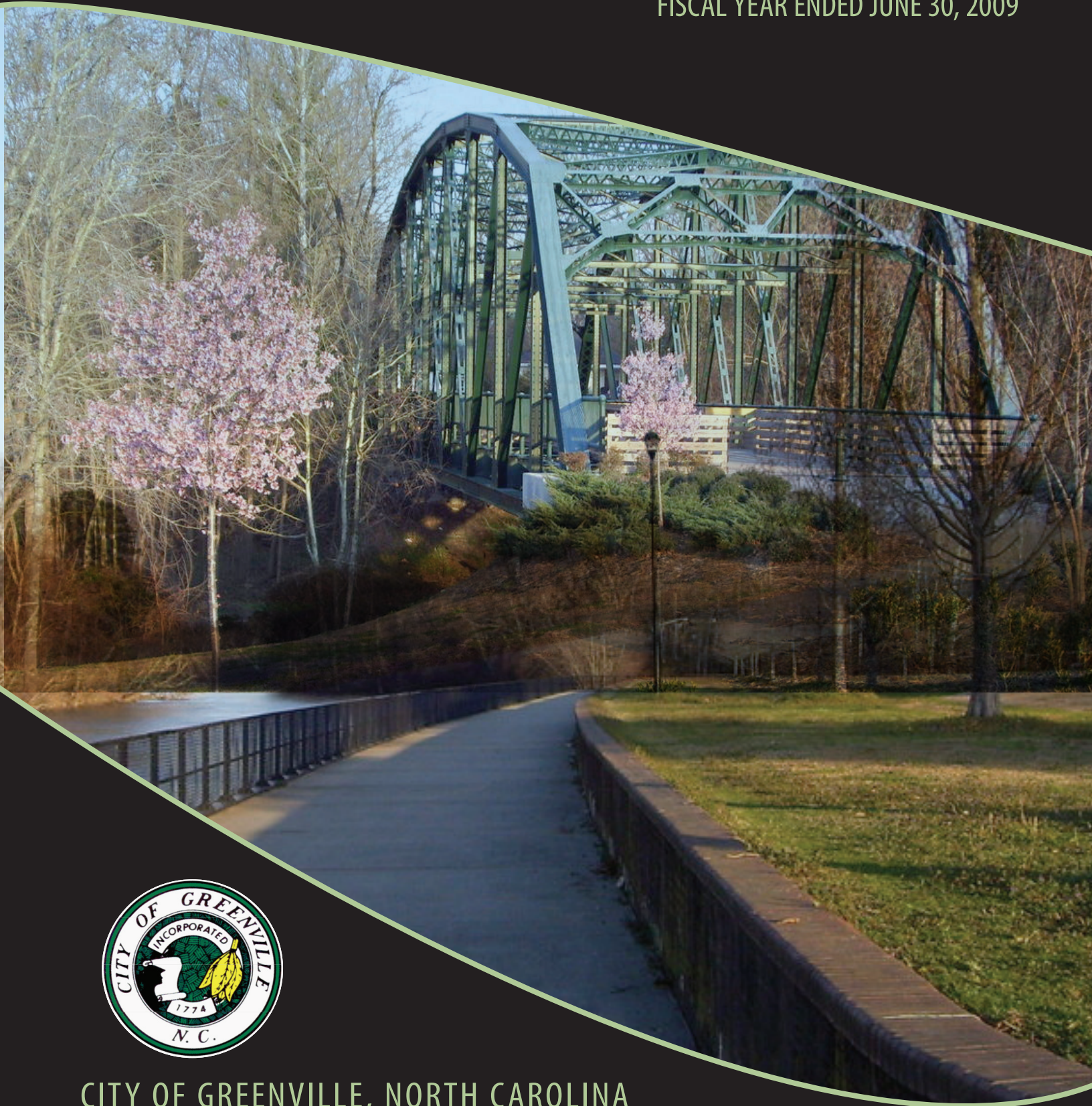


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009



CITY OF GREENVILLE, NORTH CAROLINA
FINANCIAL SERVICES DEPARTMENT

CITY OF GREENVILLE
GREENVILLE, NORTH CAROLINA

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION

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October 1, 2009

Letter Of Transmittal

The Honorable Mayor, Members of City Council,
City Manager and Citizens of Greenville, North Carolina:



The City of Greenville's Financial Services Department is pleased to present the Comprehensive Annual Financial Report as of June 30, 2009. This report is published to provide City Council, staff, citizens and third party readers with information concerning the financial position of the city. State law requires that all general-purpose local governments publish, by October 31st each fiscal year a complete set of financial statements in conformity with generally accepted accounting principles (GAAP). This report consists of management's assessment of the finances of the City of Greenville. Consequently, the accuracy and validity of this report is the responsibility of the City's management.

To provide a reasonable basis for making these assessments and to compile reliable information for the preparation of the City's financial statements, the City has a comprehensive internal control framework that ensures the protection of assets against loss, unauthorized use and theft. The comprehensive report includes an Introduction Section, a Financial Section (which includes the basic financial statements) and a Statistical Section. The Management Discussion and Analysis (MD&A) is found immediately following the Independent Auditor's Report in the Financial Section.

A large part of the City's financial health is due to the significant number of economic development activities cultivated within the City. One such event is the North Carolina League of Municipalities (NCLM) Conference. Greenville will host over 1,500 elected officials and community leaders at the Annual conference to take place in October, 2009. Greenville, now the 10th largest city in North Carolina, participated in the founding NCLM conference in November, 1908. Only eight cities have ever hosted this organization over its one hundred year history. Hosting this conference provides Greenville with an excellent opportunity to showcase its status as the economic, cultural, educational, and medical hub of eastern North Carolina to the rest of the state. Greenville has also been recognized nationally in 2009 by Forbes Magazine which ranked the City second nationwide as a "Best Small Place for Business and Careers". The City is making great strides toward fulfilling the mission of "insuring a community of distinction" for the future.

The City's financial statements have been audited by Martin Starnes & Associates, a firm of certified public accountants. All disclosures necessary for the reader to gain an understanding of the City's financial affairs are included. An examination of the financial data together with an evaluation of its presentation, allowed the independent auditors to conclude with an unqualified opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and activities of all City funds. The Independent Auditor's Report may be viewed in the first component of the Financial Section of this report.

This independent audit was part of a federally mandated "Single Audit" designed to meet the legal requirements of federal grantor agencies. The auditors not only have to report on the fair presentation of the financial statements, but also on the government's internal controls. Results of the "Single Audit" disclosed no material internal control weaknesses or material violations of laws and regulations relative to its major federal programs. These reports are available in the "Single Audit" section of this report.

Despite the very difficult economic conditions that existed throughout most of the fiscal year, the City of Greenville was able to maintain its core operational services and actually build fund balance through astute fiscal management policies. These policies to curtail spending combined with a property tax base growth of 9.6% lead to Fund operational revenues exceeding expenditures by \$2,661,351. Consequently, after Other Financing Source activities were factored in, the result was a \$1,095,540 net surplus. General Fund unreserved and undesignated fund balance increased \$2,322,199 or 22%. This yields a remaining "available" fund balance of 25% of fiscal year 2008-2009 General Fund appropriations, which exceeds the level recommended by the Government Finance Officers Association (GFOA).

For twenty consecutive years, 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. With the belief that the current report upholds the same standards of financial reporting, this year's report will be submitted for consideration as well.

The City's financial stewardship is underscored in budgetary management which focuses on long-term planning executed through a balanced biennial budget. City staff prepares the budget for submission to City Council and following a public hearing, is approved by City ordinance for implementation July 1st. The City received GFOA's Distinguished Budget Award for both its biennial budgets, the 2006-2007/2007-2008 and 2008-2009/2009-2010 Financial and Operating Plans. This award acknowledges the accomplishment of the City's financial professionals in developing a budgetary document of the highest quality, meeting the needs of decision-makers and citizens.

The preparation of this Comprehensive Financial Report would not have been possible without the exceptionally dedicated and hardworking employees of Financial Services whose daily efforts contribute to the sound financial condition of the City. Gratitude is also extended to the elected officials, city employees, the community, and department directors who assist with maintaining the highest standards of professionalism.

Included in this report is an overview of the City and its various social and economic units. Information provided will help the reader assess the City's financial condition through the review of the City of Greenville's economic vitality and quality of life.



Bernita W. Demery, CPA, MBA
Director of Financial Services

GREENVILLE, NORTH CAROLINA

What do you get when you combine a robust economic center and a strong educational community with a good dose of culture, recreation, and entertainment, sprinkled with historic charm and the beauty of southern living—one of the fastest growing urban cities in the state of North Carolina: Greenville! Consistently ranked among the top ten cities to live, Greenville is a small city with a big city calling card. In 2009, Forbes Magazine ranked Greenville as the 2nd Best Small Place for Business and Careers in the nation. The City's revitalized downtown district is just one example of why Greenville is noteworthy. With its mixed use landscape of local eateries and shops, art gallery, residential and office space, "Uptown Greenville" represents the vibrant cityscape of Greenville.

Greenville is the Hub of eastern Carolina as the center of growth for the region, not only in development but also population. Since its earliest days in the 1770's, the City's population has grown to approximately 81,092, covering over 255 square miles. It is no surprise that many endorse this community as the best place to live, work, and play...

Uptown Greenville, Greenville NC



LOCAL ECONOMY

The local economy is well diversified with government, education, healthcare, manufacturing and agriculture, including tobacco, corn, soybeans, wheat, peanuts, livestock, poultry and vegetables. As a university community with a strong business and manufacturing base, the area boasts a highly productive labor force, an excellent educational system, a large regional health care complex, and lots of cultural and recreational opportunities.

KaBOOM, a national non profit which empowers communities to build playgrounds, named Greenville **"Playful City, USA"**. Greenville joins four other communities in North Carolina and 92 others across the nation in achieving the distinction. The city of Greenville received the distinction for its commitment and innovative approaches to make play a priority by creating initiatives designed to increase the quantity and quality of play

and playgrounds, while improving access to existing play opportunities. Greenville maintains more than 25 parks and recreational facilities for children of all ages. Greenville is promoting the development of a greenway system that will provide connectivity to neighborhoods, playgrounds and playspaces.

October, 2009, Greenville, NC will host the 2009 North Carolina League of Municipalities (NCLM) Conference. More than 1,500 elected officials and staff from cities and towns across the state are expected to attend. The NCLM Conference is one of the largest and most complex conventions ever to be held in Greenville. Out of eight North Carolina cities, Greenville was chosen to host the convention. Hosting the NCLM conference is also great news for the local economy. It's estimated that the convention may generate \$829,000 for the local economy.



HEALTH SERVICES

Pitt County Memorial Hospital, is one of four academic medical centers in North Carolina. It is the flagship hospital for University Health Systems of Eastern Carolina and serves as the teaching hospital for the Brody School of Medicine at East Carolina University. The hospital is a tertiary referral center and provides acute, intermediate, rehabilitation and outpatient health services to more than 1.3 million people in 29 counties. In an average year, about 33,000 inpatients and more than 266,000 outpatients are treated in the facilities. More than 3,000 babies are born in a typical year. The clinical staff includes more than 500 physicians and 1,200 nurses. Pitt Memorial Hospital is a teaching site for medical students and residents, nurses and other health professionals. PCMH currently has more than 6,600 employees.



Pitt County Memorial Hospital

Pitt County Memorial Hospital (PCMH) is fully accredited by the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) and named the 2008, *Working Mother* 100 Best Company. This recognition marks the fourth time PCMH has made the *Working Mother* 100 Best Companies list.



Brody Medical Sciences Building

The Brody Medical Sciences Building of East Carolina opened in mid-1982 and expanded in 1989-90. The 489,000-square-foot facility provides modern and comfortable accommodations for medical students, faculty and staff as well as convenient access to the school's academic support programs and Pitt County Memorial Hospital. The Brody Building's many lecture halls, classrooms and conference rooms demonstrate the commitment of the faculty to student-faculty interaction in small groups. Several master classrooms are equipped with advanced computer and video technology designed to enhance learning. In addition to housing the basic and clinical science departments, the Brody Building includes a 525-seat auditorium, administrative offices for the School of Medicine and the Health Sciences Library.

The East Carolina Heart Institute is the first in North Carolina devoted exclusively to education, research, treatment and prevention of cardiovascular diseases. The \$160 million, six-story, 375,000-square-foot inpatient care facility is home to 120 inpatient cardiovascular beds, six operating rooms and 11 interventional laboratories. Each room has a family area equipped with its own television, lighting, phone line and seats that convert for sleeping. The new facility employs 375 additional staff. These jobs will result in significant growth for eastern North Carolina's economic development.



Pitt County Memorial Hospital Heart Institute

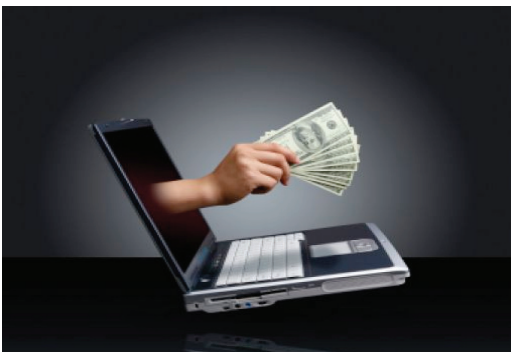
TECHNOLOGY



(L) Steve Hawley, Public Information Officer
(R) Johnathan Edwards, Communications Technician

April 2009, the City of Greenville’s Public Information Office received four of the first North Carolina City & County Communications (NC3C) Excellence In Communications Awards. Steve Hawley, Communications Manager & Public Information Officer for the City of Greenville, won first place for a printed brochure--the Greenville Recreation & Parks Recreation Guide. Hawley and Communication Technician, Johnathan Edwards won first and second prizes in the TV/Video Regular Programming category for two episodes of cityscene. NC3C members also elected Hawley Chairman of the organization for 2009-2010. The purpose of North Carolina City & County Communications is to encourage professional development and networking among local government communications professionals and to communicate information to citizens in efforts of informing and encouraging involvement in local government.

GTV 9 is the cable television channel operated by the City of Greenville, NC’s public information office. It offers live broadcasts of city meetings and regularly produced shows about the city’s services; rightfully named “CityScene”. To further enhance communication, the City of Greenville is expanding its television programming to online, on demand. Now GTV9 programming is carried live, then archived on the site and made available within days for viewing on-demand.



October 2008, the City used technology to save time and money by paying the vendors that provide services and products via electronic funds transfer. At the touch of a button, payments are direct deposited into vendor bank accounts. The new way of paying vendors will save the taxpayers money via supplies currently used to print and mail checks. The electronic payment system came to fruition thanks to a City Council goal to increase the City’s technological capabilities.

Wireless Communication - An investment of \$54,000 allows the city to offer free Internet access to an area that encompasses the center city. Visitors, residents, business owners and state employees can access the wireless network to enjoy connectivity unheard of only a few years ago. Conversely, Greenville’s modest progress in providing wireless access has lured some 845 new users and nearly 20,000 connections.





The City of Greenville is testing another way to communicate with its citizens via twitter. The City is rolling out a trial run of the social networking site, a free service that allows people to communicate via short messages. Citizens can receive city updates, news, and meeting cancellations through the City's Twitter webpage, on their computer desktop, or via SMS text messages to mobile devices like cell phones.

The City will begin with three accounts: one for general information such as ; City news, meeting reminders, program announcements and such. The second is for urgent or emergency alerts such as; closures, cancellations, and evacuations. The third is for alerts for the city's transit system (the Great bus) mostly to alert customers when routes are changed or delayed.

COMMERCE AND INDUSTRY

DSM Pharmaceuticals creates products and services in Life Sciences and Materials Sciences. Markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. The company is headquartered in the Netherlands, with locations on five continents. In 1989, DSM was privatized and listed publicly.

- In 2002, DSM completed the sale of its petrochemicals operation in anticipation of future market movements.
- This was followed by the acquisition of Roche's Vitamins & Fine Chemicals Division in October 2003, which was subsequently renamed DSM Nutritional Products.
- In February 2005, NeoResins, the coating resins business of Avencia was purchased.
- In July, 2005, this acquisition was followed by the sale of DSM Bakery Ingredients to the Dutch investment company Gilde Investment Management.
- In October 2005, DSM acquired the Chinese resins company Syntech.
- In July 2007, DSM acquired Pentapharm Holding Ltd., which manufactures active ingredients and system solutions for the cosmetics industry and is also present in niche pharmaceutical and diagnostics markets.



DSM Pharmaceuticals and DSM Dyneema Plant, Greenville, NC

DSM Dyneema officially opened its first yard production line at the U.S. Dyneema facility in Greenville. DSM Dyneema is the inventor and manufacturer of Dyneema, the world's strongest fiber. Dyneema is an important component in ropes, cable and nets in fishing and shipping.

PaperPak Products, a manufacturer of adult disposable incontinence products, expanded its workforce by nearly one-third and invested some \$9.7 million in its facility in Pitt County, NC. As part of the expansion, PaperPak has moved its corporate headquarters from California to Greenville, NC. The expansion will add 100 jobs to its Greenville operation which currently employs 235 people.



Fuji Silysia Chemical Ltd, Greenville, NC

Fuji Silysia Chemical Ltd, produce Silica gel, micronized silica and silica-related products such as desiccants, dehumidification agents, absorbents, chromatography gels, catalyst supports and so on. Fuji Silysia Chemical Ltd. supplies synthetic silica products that meet or exceed customer requirements in various industries ranging from plastics and coatings to cosmetics and pharmaceuticals.

Metrics Inc. was founded in Greenville in 1994. Today, with more than 250 employees, Metrics now offers a broad range of pharmaceutical development services in a state-of-the-art, 90,000 square foot facility. Metrics Inc. recently completed its 100th “first in man” Phase I study, a significant milestone within the contract pharmaceutical development industry. In 2008, Metrics completed an \$18-million, 47,000-square-foot expansion that doubled its overall facility size and dramatically grew service offerings. Metrics’ facility addition included a new larger scale manufacturing facility with a production capability of 1 billion tablets per year; four new analytical laboratories; stability storage; a totally segregated cytotoxic and potent compound development facility; and a microbiology laboratory.

Headquartered in Greenville, N.C., Metrics Inc. provides quality pharmaceutical material (Phase I, II and III) and commercial manufacturing, and analytical development/validation services to the pharmaceutical industry. The company is one of the fastest-growing contract pharmaceutical development laboratories in the United States today.



Welex is the manufacturer of high performance plastics sheet extrusion equipments, supply extruders, coextruders, gear pumps, sheet take-offs and accessories to more than 70 countries worldwide. Welex has designed and built extrusion systems for over 30 years. Welex equipment is used by companies to produce products for the rigid packaging, disposable products, automotive and appliance industries.

Welex developed sheet co-extrusion more than three decades ago and today builds complete systems for all applications using their own well proven modular technology.

NACCO Materials Handling Group designs, engineers, and manufactures materials handling equipment for virtually every market niche, including warehouse trucks, counterbalanced trucks and large capacity cargo and container handling trucks. NACCO is one of the largest lift truck manufacturers. NACCO's roots reflect a tradition of industrial leadership that predates the American Civil War. NACCO was established in Greenville in 1974.



Grady-White Boats was awarded "Highest in Customer Satisfaction" with Coastal Fishing Boats for the eighth time in a row by J.D. Power and Associates. The National Marine Manufacturers Association (NMMA) has awarded Grady-White Boats the "CSI Award", the trade association's top recognition for customer satisfaction. Since the awards inception eight years ago, Grady White has received the award in its fiberglass outboard boats category.

Housing

Greenville offers a wide variety of housing styles and environments with moderate prices. The area includes townhouses, condos, private residences, apartments, retirement villages and rest homes. Homes on the market range from \$100,000 to over \$1 million. Because of a combination of enjoyable living conditions and proven low cost of living, the Greenville/Pitt County area is rated one of the fifty most "livable communities" in the United States.

Ironwood, with its rolling hills and lush woods, provides the feeling of country living, yet the community is convenient to the University Medical Center of Eastern North Carolina, East Carolina University and all of Greenville's amenities. Founded in 1996, Ironwood has a 1,100 – acre, private golf community.



Bedford Place, features beautiful examples of neo-eclectic and traditional style homes. Lush landscaping is quite abundant as are charming accents for these custom built homes. In this subdivision, you will find tennis courts and a recreational area.



Brook Valley, stately traditional and neo-eclectic style homes are situated on heavily wooded and landscaped lots. Many of these custom built homes offer views of the fairways. A very extensive neighborhood, amenities include a stunning clubhouse and charming pool with tennis court. The Brook Valley clubhouse majestically overlooks the pool, being situated on a large hill. This neighborhood is just a few blocks from East Carolina University. Brook Valley offers an exhilarating Ellis Maple designed championship 18 hole golf course, an Olympic size swimming pool with a baby pool, two year-round tennis courts, a first-rate fitness center, a beautiful, fully staffed clubhouse perfect for weddings, banquets, and meetings.



Community Block Grant Program (CDBG), is a flexible program that provides communities with resources to address a wide-range of unique community development needs. It also provides annual grants on a formula basis to entitled cities, urban counties and states to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low-and moderate-income persons.

In 2009, the City of Greenville was awarded the National Community Development Association (NCDA) Audrey Nelson Community Development Achievement Award. The recognition is for the City's 45-Block Revitalization program and activities. NCDA created the Audrey Nelson Community Development Award to recognize exemplary uses of CDBG funds which address the needs of families, homes, and neighborhoods. Greenville is one of just nine communities in the nation to receive the award. The West Greenville Revitalization program is designed to remove unsafe and unsightly structures, provide street and utility improvements, increase affordable home ownership, and promote redevelopment and new construction. This effort will establish a safer, more attractive area for residents, visitors, and the entire Greenville community. Total cost of the revitalization program is estimated to be \$13.8 million, with approximately \$8.8 million coming from federal funds.



RECREATION

The Recreation and Parks Department provides a variety of athletic, recreational, and arts and crafts activities for all ages and special populations. The department maintains over 25 parks and recreational facilities, including numerous gymnasiums, recreation and community centers, swimming pools, tennis courts, a soccer complex, softball and baseball fields, playgrounds, a greenway, as well as The Town Common and Greenville Toyota Amphitheater, River Park North, Bradford Creek Golf Course, the Aquatics and Fitness Center, the Extreme Park, The Sports Connection, and River Birch Tennis Center.

Extreme Park, is Greenville's first skate ramp. Greenville has been on the cutting edge of skate/BMX parks since the beginning of its popularity. Greenville has attracted professional BMX riders to move to our community from other parts of the country. This has turned out to be a once-in-a-lifetime experience for all of the Greenville kids.



Extreme Park, Greenville, NC



August 2009, Gatorade Free Flow Tour, the Official Amateur Series of the Dew Tour, will come to Greenville. For five consecutive years Gatorade Free Flow Tour has searched the country's premier skateparks giving the once in a lifetime chance to "Flow to Pro". The goal is to find top talent from across the country; while giving skaters and bmx'ers of all abilities the opportunity to have fun while competing in a contest.

Bradford Creek Golf Course is a public course operated by the Greenville Recreation and Parks Department. Stretched across 282 acres. Bradford Creek features an 18 hole golf course strategically designed to offer new and challenging experiences; a clubhouse for corporate and catered events; and a driving range. Each green has been designed so that a simple change in pin placement can alter shot strategy, thus ensuring a new experience for golfers every time they play the course.

Aquatics & Fitness Center, is an exercise/wellness facility operated by the Greenville Recreation & Parks Department. The facility offers: aerobic classes, wellness programs, weight lifting equipment, cardiovascular equipment including treadmills, ellipticals, & arc-trainers; indoor gymnasium for basketball and walking, indoor pool with water aerobics & arthritis classes, indoor climbing wall, a supervised kids play area and locker rooms. June 2009, Greenville Aquatics & Fitness Center placed number one in North Carolina and 20th in the United States on the list of 2009 Top Aquatics Programs, according to the United States Water Fitness Association (USWFA). The USWFA compared the Aquatics and Fitness Center against private, public, military, educational, and camp facilities from across the country. Facilities were judged on programs, attendance, marketing materials, photos and overall facility philosophy.



Aquatics & Fitness Center, Greenville, NC

CULTURE AND ARTS



Greenville Museum of Art

Greenville Museum of Art was the first Women's Club Arts Festival in 1935. The enthusiastic community support of this venture inspired the festival leaders to develop an initial momentum that resulted in the formation of a permanent art facility in 1939. Presently the Museum exists as a local attraction to the citizens of Greenville and Pitt County, although visitors from across the state visit the Museum regularly. Gallery talks and openings, tours, art classes and its numerous outreach programs generate a continued interest in the Museum. Participants and visitors range in age from young to old. Annually over 3,000 children participate in programs offered by the Museum and over 12,000 people visit the Museum.

Shopping has acquired a regional draw, bringing shoppers to Greenville from all over Eastern North Carolina. Numerous options offer shoppers variety in price, selection and style. Greenville is the regional shopping destination for the Inner Banks area since many big-box retailers and specialty shops are located in the city. Greenville Mall is the city's enclosed center, featuring over 60 shops anchored by Belk and JC Penney. Other large centers include, University Commons, Lynncroft and Arlington Village.

PirateFest, is a week long festival held to celebrate Eastern North Carolina. This event is packed with fun and exciting activities for the whole family. Attendees can enjoy amusement rides, live entertainment, southern barbeque, fireworks, a Pirate Golf Classic, a Parade of Pigs, and much more. PirateFest is an exciting and fun-filled time for the whole family.

International Festival has been a mainstay of the community since 1991. The Festival offers people a chance to come together on the City's Town Common and celebrate all the diverse activities that make our community a wonderful place to live. Visitors gather by the thousands to sample foods and explore booths displaying wares from as far away as the Orient. Performers will energize our guests with music and dance from around the globe.



East Carolina University, Jenkins Fine Arts Center

School of Art and Design at East Carolina University is the largest art school in North Carolina and one of the largest in the Southeast. Students come from not only North Carolina, but from other states and several foreign countries. The East Carolina University School of Art and Design has been an accredited, institutional member of the National Association of Schools of Art and Design since 1962. Forty continuous years of specialized accreditation has resulted in a curriculum with flexibility and practical applications. Eastern North Carolina is also known for being the home to many incredible artists, and their fine arts.

Sheppard Memorial Library system is composed of a main library, four branches and a bookmobile. It is the countywide library system for all of Pitt County as well as the City of Greenville. The main library was opened to the public on October 15, 1930. The library was built with a \$50,000 grant from Harper Donelson Sheppard, a Pitt County native and businessman who lived in Hanover, Pennsylvania.

The North Carolina Library Association's 58th Biennial Conference will be held October, 2009 in Greenville, NC. The North Carolina Library Association (NCLA) is an affiliate of the American Library Association and the Southeastern Library Association. The NCLA promotes libraries, library and information services, librarianship, intellectual freedom and literacy.

Sheppard Memorial Library



East Carolina University,
Clark-LeClair Baseball Stadium

East Carolina Sports Teams, nicknamed the "Pirates", are members of NCAA Division 1-A and Conference USA. East Carolina's football stadium, called Dowdy-Ficklen Stadium, seats about 43,000. Williams Arena in Mingos Coliseum, the Pirates basketball arena, seats about 8,000 and the Clark-LeClair Baseball Stadium seats 3,000.

East Carolina plans to add 4,500 seats to Dowdy-Ficklen Stadium by building bleachers topped by luxury suites. The expansion, which will raise the stadium's seating capacity to 48,000, will be completed by the start of the 2010 season. The football stadium expansion is the centerpiece of a broader sports facilities upgrade plan that will impact virtually every sport. The university has committed to a range of projects, including a new women's softball stadium, a new track and field facility and a new auxiliary gym at Mingos Coliseum that will house practice courts for the men's and women's basketball teams and the volleyball team. Now, the basketball and volleyball teams all must share one gym for practice and games.



East Carolina University
Football Stadium

EDUCATION

Pitt County Schools System, is accredited by the Southern Association of Colleges and Schools as a “Quality School System”. The system is one of the first 100 school systems in the nation to achieve this distinction. District Accreditation is a process designed to recognize school systems that embrace improving student learning as a systematic process. This achievement recognizes the quality of education afforded the students in Pitt County Schools through the leadership of the superintendent and governing authority, the dedication and service of the professional staff, and the support of community stakeholders. The school system currently serves 23,240 students in kindergarten through twelfth grade and is experiencing continued growth in its student population.

Pitt Community College (PCC), a comprehensive community college of the North Carolina Community College System, was recognized as an exceptional institution by the North Carolina Community College System (NCCCS). PCC was one of 11 community colleges in the state to earn “Exceptional Institutional Performance” status. Pitt Community College offers over 60 curriculum programs and a wide range of continuing education courses for students in the Greenville, NC area and surrounding communities since 1961. Pitt Community College offers 44 Associate Degree programs, numerous certificate programs, 22 diploma programs, and 18 University Transfer programs. The school has an enrollment of nearly 8,000 students and is accredited by the Southern Association of Colleges and Schools to award Associate’s Degrees.

East Carolina University (ECU), is a public, coeducational, doctoral/research university located in Greenville, North Carolina. Named East Carolina University by statute and commonly known as ECU or East Carolina, the university is the largest institution of higher learning in eastern North Carolina and the second-largest university in North Carolina. With enrollment of 27,391 students, it is the fastest-growing campus in the University of North Carolina system for five consecutive years. East Carolina has grown from 43 acres in 1907 to almost 1,400 acres today. East Carolina is separated into three distinct campuses:



East Carolina University, Student Recreational Center

Main Campus: The main campus is about 520 acres in an urban residential area of downtown Greenville. The 162 buildings on main campus comprise more than 4.7 million square feet of academic, research, and residential space. It owns two sports complexes: Blount Recreational Sports Complex and North Recreational Complex. It owns a field station in New Holland, North Carolina.

Health Sciences Campus: The Health Sciences campus is situated at Pitt County Memorial Hospital (PCMH). The area is about 2 miles west of Main Campus on 205 acres with nearly 950,000- square feet of academic and research space in 39 buildings.

West Research Campus: West Research Campus lies on approximately 600 acres 4 miles west of the Health Sciences Campus. It consists of a 27,000-square-foot building on the former Voice of America site and large areas of biology, botany and other sciences field study sites. It has an environmental health onsite wastewater demonstration facility which is open to the public and all educators.



CERTIFICATE OF ACHIEVEMENT

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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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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, North Carolina** for its comprehensive annual financial report for the fiscal year ended **June 30, 2008**. This is the **20th** consecutive year that the City of 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Financial Services Department



*Congratulations
for 20 years of Excellence in
Financial Reporting!*

CITY OF GREENVILLE CITY COUNCIL
GREENVILLE UTILITIES COMMISSION & ORGANIZATIONAL CHART

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City Council Members



Mayor
Patricia C. (Pat) Dunn



Mayor Pro-Tem
Mildred A. Council, MSW
District 1



Rose H. Glover
Council Member
District 2



Larry Spell
Council Member
District 3



Max Joyner, Jr.
Council Member
District 4



Calvin Mercer
Council Member
District 5



Bryant Kittrell
Council Member
At-Large

City Officials



Wayne Bowers
City Manager

Thomas M. Moton, Jr., Assistant City Manager
Wanda T. Elks, City Clerk
David A. Holec, City Attorney
William J. Anderson, Chief of Police
Mike Burton, Chief of Fire/Rescue
Bernita W. Demery, CPA, MBA, Director of Financial Services
S. Rex Wilder, Director of Information Technology
Wes Anderson, Director of Public Works
Merrill Flood, Director of Community Development
Gerry Case, Director of Human Resources
Gary Fenton, Director of Recreation and Parks

Greenville Utilities Commission Board of Commissioners



Lynn Evans, Chair
Commissioner since 2003



Don H. Edmonson
Commissioner since 2007



Lester Z. Brown, Vice-Chair
Commissioner since 2004



Vickie R. Joyner
Commissioner since 2007



J. Freeman Paylor, Secretary
Commissioner since 2006



Stan G. Eakins
Commissioner since 2008

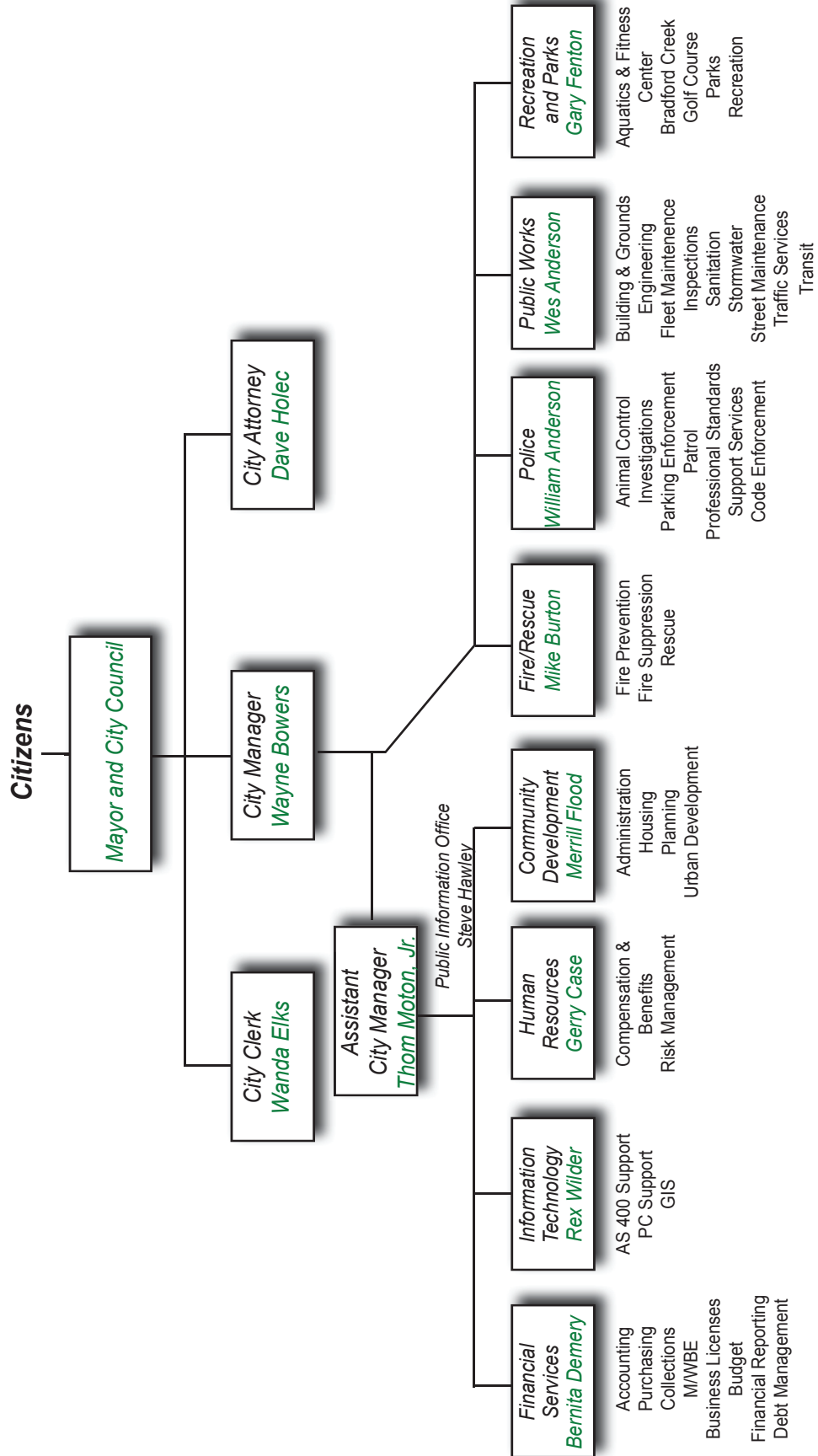


Wayne Bowers
Greenville's City Manager
Commissioner since 2004



Julie Carlson
Commissioner since 2006

**CITY OF GREENVILLE
ORGANIZATIONAL CHART**



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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

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

INDEPENDENT AUDITORS' REPORT

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

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greenville's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Greenville, North Carolina, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 2009 on our consideration of City of Greenville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the City of Greenville, North Carolina. The introductory section, budget to actual comparison statements for major funds, combining, and individual nonmajor fund financial statements and other supplementary schedules, and the statistical tables, 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 States, 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 budget to actual comparison statements for major funds, combining, and individual nonmajor fund financial statements and other supplementary schedules, and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
September 10, 2009

MANAGEMENT'S DISCUSSION & ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greenville, we offer readers of the City's financial statements this narrative and analysis of the financial activities of the City of Greenville for the fiscal year ended June 30, 2009. We encourage readers to read the information presented in conjunction with 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, 2009, include:

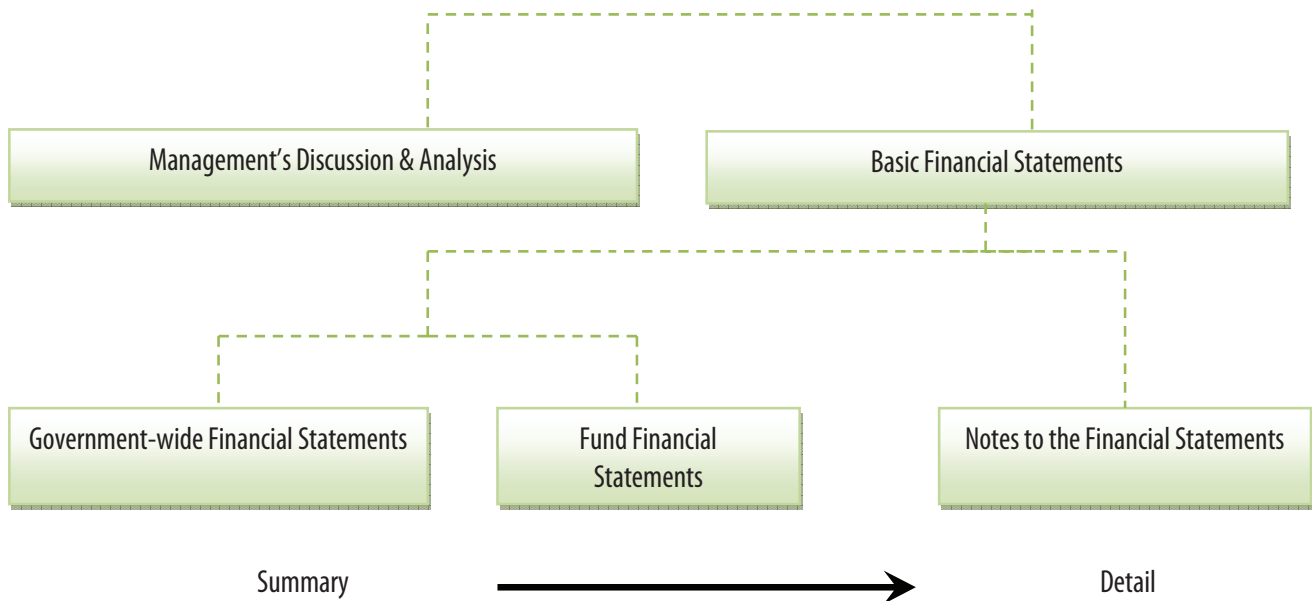
- The assets of the City of Greenville exceeded its liabilities at the close of the fiscal year by \$443,711,330 (*net assets*). Of this amount, \$107,760,518 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$13,740,337, primarily due to increases in governmental activities. The City's net assets of business-type activities increased by \$4,822,225.
- The City of Greenville's governmental funds reported combined ending fund balances of \$49,254,912, an increase of \$3,145,908 in comparison with the prior year. This increase is due to the City entering into an Installment Agreement to refinance approximately \$7,055,000 of the 1998 Certificates of Participation (COPs) issuance and borrow new money in the amount of \$4,800,000 to fund new street projects. The total amount borrowed was \$12,013,516, of which \$7,055,000 plus accrued interest, was used to pay off the 1998 COPs balance. Approximately 80% of the total fund balance, or \$39,468,577, is available for spending at the government's discretion (*unreserved fund balance*); however, \$21,072,272 has been set aside for special revenue projects and other capital projects.
- Unreserved fund balance for the General Fund was \$18,396,305 or 30% of total general fund expenditures (excluding other financing uses) for the fiscal year. Overall, the fund balance for the General Fund increased by \$1,095,540, when compared to prior year. This increase is directly related to the recent property revaluation effective January 1, 2008 and the growth of the tax base. Property tax receipts increased 13% as a result of revaluation.
- The City of Greenville's total debt (excluding the OPEB and compensated absences liabilities) had a net decrease of \$3.7 million during the current fiscal year. The key factor for this two percent decrease was the payoff of the 1998 COPs. Additionally, through normal pay off, Greenville Utilities Commission paid down a considerable amount of the revenue bonds during the year.
- Property and sales taxes are the two largest sources of revenue in the City's General Fund and make up 68% of the total operating revenues in fiscal year (FY) 2009.
- The City was able to decrease its tax rate from \$.56 to a revenue-neutral tax rate of \$.52 per \$100 of assessed value after the January 1, 2008 property revaluation.
- The City has received the Certificate of Achievement for Excellence in Financial Reporting for the 20th consecutive year.
- For the second year, as a result of the implementation of GASB 43 and 45, the City has disclosed in their financial statements their annual required contribution for Other Post Employment Benefits (OPEB). This information is included in Exhibit A and is outlined in the Debt footnote. Government-wide, the City reports \$11,465,598 of OPEB liability as of June 30, 2009. Through the end of the fiscal year, management decided to continue with the pay-as-you-go system; however, \$250,000 was transferred to the NC State Short-term Investment Fund to jumpstart funding this liability.

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) the 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 assets and how they have changed. Net assets represent the difference between the City's total assets and total liabilities. Measuring net assets 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 activities are those that function as an enterprise, and rely principally on user fees to support those services. These include the electric, water, sewer, gas, transportation, stormwater utility, sanitation, and golf course services offered by the City of Greenville. The government-wide financial statements are on Exhibits A and B of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements beginning with Schedule A-2 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 Assets 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The City of Greenville has two different kinds of proprietary funds. *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. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

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 two functioning internal service funds. The City uses an internal service fund to account for its dental reimbursement program and to account for the management and purchase of replacement vehicles. Because both of these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to report assets that are held in a trustee or agency capacity for others and therefore cannot be used to support other government activities. The City of Greenville has 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of net assets as of June 30, 2009 (as shown in Exhibit A) with comparative data for June 30, 2008.

**City of Greenville's Net Assets
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 59,822,741	\$ 58,384,129	\$ 116,176,224	\$ 120,612,488	\$ 175,998,965	\$ 178,996,617
Capital assets, non depreciable	49,063,726	42,926,514	30,490,656	17,291,327	79,554,382	60,217,841
Capital assets, net	90,244,634	85,261,110	309,064,336	312,577,219	399,308,970	397,838,329
Total Assets	\$ 199,131,101	\$ 186,571,753	\$ 455,731,216	\$ 450,481,034	\$ 654,862,317	\$ 637,052,787
Long-term liabilities outstanding	\$ 45,261,055	\$ 41,093,156	\$ 119,972,899	\$ 123,413,887	\$ 165,233,954	\$ 164,507,043
Other liabilities	8,804,836	10,527,461	37,112,197	33,243,252	45,917,033	43,770,713
Total Liabilities	\$ 54,065,891	\$ 51,620,617	\$ 157,085,096	\$ 156,657,139	\$ 211,150,987	\$ 208,277,756
Net Assets:						
Invested in capital assets, net of related debt	\$ 98,830,413	\$ 89,238,526	\$ 235,067,831	\$ 229,538,484	\$ 333,898,244	\$ 318,777,010
Restricted	2,052,568	2,889,419	-	-	2,052,568	2,889,419
Unrestricted	44,182,229	42,823,191	63,578,289	64,285,411	107,760,518	107,108,602
Total Net Assets	\$ 145,065,210	\$ 134,951,136	\$ 298,646,120	\$ 293,823,895	\$ 443,711,330	\$ 428,775,031

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Greenville's government-wide activities exceeded its liabilities at the close of the fiscal year by \$443,711,330 (*net assets*). Of this amount, \$107,760,518 can be used to meet the City's ongoing obligations to citizens and creditors.

The City of Greenville's net assets of governmental activities increased by \$8,918,112 over FY 2008 levels. The City of Greenville uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Greenville's investment in its 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.

The governmental activities net assets were positively affected by the following aspects:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97%, along with overall 13% increase in receipts.
- Proactive reduction of operational appropriations by two percent and voluntary department spending restraint which lead to an additional budgetary surplus of one percent.
- Increased capital assets due to completion of projects. The Commission's assets increased \$9.95 million or 4 % over prior year, primarily due to positive operating income.

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 assets for the City as a whole. The same situation held true for the prior fiscal year as detailed in the changes in net assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greenville, we offer readers of the City's financial statements this narrative and analysis of the financial activities of the City of Greenville for the fiscal year ended June 30, 2009. We encourage readers to read the information presented in conjunction with 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, 2009, include:

- The assets of the City of Greenville exceeded its liabilities at the close of the fiscal year by \$443,711,330 (*net assets*). Of this amount, \$107,760,518 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$13,740,337, primarily due to increases in governmental activities. The City's net assets of business-type activities increased by \$4,822,225.
- The City of Greenville's governmental funds reported combined ending fund balances of \$49,254,912, an increase of \$3,145,908 in comparison with the prior year. This increase is due to the City entering into an Installment Agreement to refinance approximately \$7,055,000 of the 1998 Certificates of Participation (COPs) issuance and borrow new money in the amount of \$4,800,000 to fund new street projects. The total amount borrowed was \$12,013,516, of which \$7,055,000 plus accrued interest, was used to pay off the 1998 COPs balance. Approximately 80% of the total fund balance, or \$39,468,577, is available for spending at the government's discretion (*unreserved fund balance*); however, \$21,072,272 has been set aside for special revenue projects and other capital projects.
- Unreserved fund balance for the General Fund was \$18,396,305 or 30% of total general fund expenditures (excluding other financing uses) for the fiscal year. Overall, the fund balance for the General Fund increased by \$1,095,540, when compared to prior year. This increase is directly related to the recent property revaluation effective January 1, 2008 and the growth of the tax base. Property tax receipts increased 13% as a result of revaluation.
- The City of Greenville's total debt (excluding the OPEB and compensated absences liabilities) had a net decrease of \$3.7 million during the current fiscal year. The key factor for this two percent decrease was the payoff of the 1998 COPs. Additionally, through normal pay off, Greenville Utilities Commission paid down a considerable amount of the revenue bonds during the year.
- Property and sales taxes are the two largest sources of revenue in the City's General Fund and make up 68% of the total operating revenues in fiscal year (FY) 2009.
- The City was able to decrease its tax rate from \$.56 to a revenue-neutral tax rate of \$.52 per \$100 of assessed value after the January 1, 2008 property revaluation.
- The City has received the Certificate of Achievement for Excellence in Financial Reporting for the 20th consecutive year.
- For the second year, as a result of the implementation of GASB 43 and 45, the City has disclosed in their financial statements their annual required contribution for Other Post Employment Benefits (OPEB). This information is included in Exhibit A and is outlined in the Debt footnote. Government-wide, the City reports \$11,465,598 of OPEB liability as of June 30, 2009. Through the end of the fiscal year, management decided to continue with the pay-as-you-go system; however, \$250,000 was transferred to the NC State Short-term Investment Fund to jumpstart funding this liability.

Governmental Activities: Governmental activities increased the City's net assets by \$8,918,112 accounting for 65% of the total growth in the government's net assets. Of total net assets, governmental activities accounted for \$145,065,210, or 33%. The growth in Property Tax, issuance of new debt and the capitalization of assets were key elements of the increase.

Business-type Activities: The Greenville Utilities Commission has net assets of \$288,862,436 as of June 30, 2009. This represents 97% of the total business-type activities net assets amount. Of this amount, \$56,972,801 (unrestricted net assets) may be used to meet the Commission's ongoing obligations to its customers and creditors. Overall, business-type activities increased the City of Greenville's net assets by \$4,822,225 accounting for 35% of the total growth in the government's net assets. The majority of this increase is due to activities by the Greenville Utilities Commission. Key elements of this increase are as follows:

- Operating revenues increased by \$21,995,579, or 9.3%, and total revenues increased by \$21,231,582, or 8.8%, primarily due to rate increases.
- The Commission received a \$339,730 grant from the U.S. Department of Commerce's Economic Development Administration to help fund the aquifer storage project.
- The Commission's net capital assets increased \$9,954,189 primarily due to positive operating income.
- The Commission's total debt (excluding compensated absences and OPEB) decreased by \$5,009,965, or 4% during FY 2009. The key factor in this decrease was the repayment of almost \$7.5 million which more than off-set the addition of \$2,381,886 in new debt.

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, unreserved fund balance can be a useful measure of a government'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, unreserved fund balance of the General Fund was \$18,396,305, while total fund balance was \$28,067,456. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 30% of total General Fund operating expenditures, while total fund balance represents 46% of that same amount. As of June 30, 2009, the governmental funds of City of Greenville reported a combined fund balance of \$49,254,912, a 6% increase over last year. The increase is associated with the increase recognized from property tax receipts in conjunction with the issuance of long-term debt.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. 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 increased revenues by \$4,686,164. When compared to the adjustments proposed last year, this is a 19% decrease. The majority of this variance concerns the transfer to the Capital Reserve Fund. This is an annual transfer that is approved by City Council based on audited fund balance levels at the end of the fiscal year. Our financial policy states that any amount greater than 14% of the audited undesignated, unreserved General Fund balance is eligible for transfer to the Capital Reserve. During FY 2009 the transfer was \$1.9 million less than in FY 2008 because the amount reserved for Street – Powell Bill rose and funds were reserved in light of future Other Post-Employment Benefits (OPEB) requirements. Another reason for the decrease in budget ordinance appropriations was the \$180,921 negative appropriation which represented the departmental budget cuts implemented due to the difficult economic conditions.

General Fund revenues exceeded expenditures by \$2,661,351 (before other financing sources), decreasing 27% from the surplus experienced in FY 2008 due to declines in economically-sensitive revenues. General Fund operating revenues decreased by 2.4% as

compared to total revenues, which decreased by 1%. The marginal decrease in expenditures was due to the exclusion of the Sanitation expenditures, as these costs are now captured within a separate enterprise fund. The decrease realized as a result of changing the accounting method for Sanitation was offset by the increase recognized within Public Safety. Although expenditures only decreased by 1% when compared to prior year, they fell short of expected budget appropriations by 12 percent. This was a result of dedicated fiscal stewardship exercised by both departmental and managerial personnel.

Better than expected growth helped Property Taxes increase 13%, this was 2.5% more than its estimated increase. Property Tax receipts were largely responsible in off-setting decreases in other revenue sources and contributed to the General Fund's net surplus in FY 2009. Sales Tax was a complicated issue due to the economy and the State's overpayment to the City for a number of months. This overpayment made it difficult to assess the seriousness of the recession's affect on Greenville, and also required repayments to the State which further skewed the decline in Sales Tax revenues. Factoring out the overpayments and repayments, Sales Tax revenues declined approximately 7.8% or over \$1.1 million dollars from the prior year. Licenses, Permits, and Fees, especially construction-related permit fees, were severely affected by the recession declining 69% or over \$5.3 million dollars. Sales and Services revenue increased 13%. The collection of Rescue Fees, which is the major revenue source in the Sales and Services category, increased due to the addition of a Collection's Technician who assisted with the backlog of rescue billings. Despite numerous interest rate cuts by the Federal Reserve in FY 2009, Investment Earnings increased nine percent over the prior year, surpassing its budget estimate by 38%. This increase in the General Fund's Investment Earnings was due to the City's strategy of locking in better interest rates over longer periods of time, not to exceed five years.

Although there were several decreases realized within expenditures during this fiscal year, there were off-setting increases which contributed to the 1% decrease recognized. The noteworthy occurrences were as follows: Personnel expenditures increased significantly due to the 3% market and 1.5% merit increases as budgeted. Within the non-personnel expenditures there was the first payment to the State Trust fund for Other Post-Employment Benefits (OPEB). During FY 2009, the former "Sanitation Division" was isolated out of the General Fund and is now an enterprise fund. This accounted for a decrease of approximately \$4.2 million. Additionally, Capital Improvement expenditures decreased three percent even as the authorized budget for this category increased 17%. This decrease is due to the timing of project readiness. Overall, there was no unusual or significant activity noted within this fund's expenditures during FY 2009. All department activity remained within approved budgeted amounts.

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, 2009, totals \$478,863,352 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following:

- The capitalization of Fire/Rescue vehicles for approximately \$1.66 million. This resulted in a prior year adjustments since the expense was recognized during the prior year.
- The capitalization of West 5th Street Police Substation for approximately \$340,000.
- The capitalization of the Edwards property for approximately \$240,000
- The capitalization of playground equipment for approximately \$110,000.
- The City had several capital projects underway; net improvements to the Greenville Aquatics & Fitness Center totaled approximately \$520,000 and to Andrew Best Freedom Park \$175,000.
- GUC also had several capital projects underway; net additions included construction of the Dickinson Avenue electric substation (\$1.66M), construction in progress on the Stokes Interconnection water line (\$675,889), implementation of automated meters (\$2.6M), upgrades at the Wastewater Treatment Plant (3.2M), and upgrades to the natural gas distribution system for approximately \$580,000.

Additional information on the City's capital assets can be found in the notes of this report.

City of Greenville's Capital Assets
Figure 4

	Governmental Activities		Business-Type		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 36,564,930	\$ 36,256,842	\$ 6,129,938	\$ 6,329,138	\$ 42,694,868	\$ 42,585,980
Construction in Progress	12,498,796	6,669,672	24,360,719	10,962,189	36,859,515	17,631,861
Buildings	56,810,573	47,028,421	114,314,871	120,136,630	171,125,444	167,165,051
Other Improvements	7,103,029	6,778,922	224,365	692,759	7,327,394	7,471,681
Infrastructure	54,366,550	54,366,550	80,631	-	54,447,181	54,366,550
Machinery and Equipment	20,555,700	25,676,144	7,629,751	3,679,157	28,185,451	29,355,301
Land Rights	-	-	544,268	368,768	544,268	368,768
Furniture and Office Equipment	-	-	7,981,823	7,673,236	7,981,823	7,673,236
Vehicles and Equipment	4,756,557	2,258,474	18,650,531	17,638,703	23,407,088	19,897,177
Distribution Systems	-	-	361,758,987	348,902,609	361,758,987	348,902,609
Transmission Systems	-	-	28,572,879	28,181,876	28,572,879	28,181,876
Subtotal	\$ 192,656,135	\$ 179,035,025	\$ 570,248,763	\$ 544,565,065	\$ 762,904,898	\$ 723,600,090
Accumulated Depreciation	(53,347,775)	(50,847,401)	(230,693,771)	(214,696,519)	(284,041,546)	(265,543,920)
Capital Assets, net	\$ 139,308,360	\$ 128,187,624	\$ 339,554,992	\$ 329,868,546	\$ 478,863,352	\$ 458,056,170

Long-term Debt: As of June 30, 2009, the City of Greenville had total debt outstanding of \$163,304,603 (excluding compensated absences, Other Post-Employment Benefits (OPEB) and Law Enforcement Officer (LEO) Separation Allowance). Of this, \$40,477,947 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

	Governmental Activities		Business-type		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 11,315,495	\$ 12,150,248	\$ 7,274,504	\$ 8,459,752	\$ 18,589,999	\$ 20,610,000
Certificates of Participation	12,195,000	20,715,000	-	-	12,195,000	20,715,000
Special Obligation (Revenue) Bonds	4,785,000	5,080,000	94,882,553	99,842,087	99,667,553	104,922,087
Installment Purchase Contracts	12,182,452	1,003,850	743,666	804,879	12,926,118	1,808,729
Other Debt (GUC)	-	-	19,925,933	18,881,364	19,925,933	18,881,364
Total	\$ 40,477,947	\$ 38,949,098	\$ 122,826,656	\$ 127,988,082	\$ 163,304,603	\$ 166,937,180

Total debt (excluding compensated absences and LEO separation allowance) has increased by \$3.63 million (2%) during the current fiscal year. While both the City and GUC concentrated on paying off debt, decreasing both entities total debt, in addition to the City's refinancing, it also took on an additional \$4.8 million in new debt to finance street projects.

As of June 30, 2009, the City maintained a bond rating of AA with Standard and Poor's and Aa3 by Moody's. The City of Greenville is one of 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's expanding service

areas, consistent operating/capital financial performance, and competitive rates enabled them to maintain an “A+” rating from Standard & Poor’s with a stable outlook.

North Carolina General Statutes restrict the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that units boundaries. The legal debt margin for City of Greenville is \$423,522,004.

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

The following key economic indicators reflect the growth of the City.

- The United States Department of Commerce, Bureau of Census, and the North Carolina Office of State Planning has recorded the population of the City to be as follows:

<u>1980</u> 35,740	<u>1990</u> 46,305	<u>2009</u> 81,092
-------------------------------------	-------------------------------------	-------------------------------------

- Growth in assessed values. The assessed valuation of property for fiscal year 2008-2009 was \$5,807,420,488, up approximately 22% from the previous year. A significant portion of the increase in property taxes is attributed to the property revaluation that took effect January 1, 2009.
- Interest rates. As a result of declining rates, Government-wide Investment Earnings declined 22% in the General Fund. However, the General Fund investment earnings managed an increase of 9%. As of June 30, 2009, the T-Bill rate was .19% as compared to 1.90% on June 30, 2008.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2010

Governmental Activities: Adopted budgeted expenditures in the General Fund are expected to increase to \$71,133,682. This amount represents a \$30,199 decrease over the original budget adopted for the prior fiscal year. Moreover, the fiscal year (FY) 2010 original budget is an 8% decrease over fiscal year 2009 actuals. Salaries and benefits represent 64% of the total General Fund budget, which is consistent with historical patterns. These expenditures are expected to increase 2% over fiscal year 2009 actuals. The FY 2010 budget includes no market salary adjustment, merit raises, or new positions. In deference to the uncertain economic times, the FY 2010 original budget increased the amount set aside for contingencies by \$600,000. While some costs were projected to increase (utilities, vehicle and equipment maintenance and repair, insurance), departments continued the fiscal restraint shown in FY 2009 and pared appropriations for contracted services, supplies and materials, and travel / training costs. As a result, operational costs are expected to decrease by approximately 4% from prior year actual expenditures.

Below is a forecast for major sources of the City’s Governmental revenues. The following sources make up more than 60% of revenue stream:

- **Property Taxes**
The tax base is expected to remain stable. Greenville benefitted from the timing of its property revaluation. While the tax rate remained revenue neutral (actually decreasing four cents as compared to the FY 2008 tax rate), the increase in the tax base increased revenue 13% in FY 2009. The FY 2010 tax rate remains unchanged at .52 per \$100 of assessed value. The relatively flat estimate over FY 2009 is a conservative estimate as actual receipts have increased an average of 6.85% over the past five years.

- **Sales Tax**
As mentioned, FY 2009 Sales Tax figures were skewed due to overpayments by the State. This overpayment will require repayments to the State in FY 2010 as well. In FY 2010, City Sales Tax receipts will not be affected by the State's 1% tax increase or the proposed allocation changes (population-based vs. point of sales). While the City of Greenville has seen an annual average increase of 10% in Sales Tax receipts, FY 2010 Sales Tax estimates were conservatively revised downward five percent from the FY 2009 original estimate and four percent from FY 2009 actuals as the economic climate is not expected to improve until well into FY 2010.
- **Powell Bill**
The Powell Bill revenue estimate was decreased nine percent based on the State's analysis of the effect of decreased fuel consumption on fuel tax receipts.
- **Investment Income**
The cuts in interest rates that started in September 2007 have significantly impacted the City's investment earnings and this trend is projected to continue into FY 2010. As a result, the budgetary estimate for this revenue is 10% less than for FY 2009.

As a result of the crisis in the financial markets, ratings of different bonds and Certificates of Participation held by the City were downgraded by both Moody's and Standard and Poor's. These downgrades were based solely on the rating agencies' confidence in the insuring agencies and their instruments and are not a reflection of the City of Greenville's financial standing or policies. As the instruments available for investment improve, the City's rating will be upgraded. However, as a whole, at June 30, 2009 the City maintained a bond rating of AA with Standard and Poor's and Aa3 by Moody's. This achievement was a primary factor in keeping interest costs low on the City's outstanding debt. The Commission's expanding service areas, consistent operating/capital financial performance, and competitive rates enabled them to maintain an "A+" rating from Standard & Poor's with a stable outlook.

Business-type Activities: As previously mentioned, the largest component in the City's business-type activities is held by the Greenville Utilities Commission (the Commission). Recent rate increases resulted in positive operating income, increasing the Commission's total net assets by almost \$10 million. The Commission's 2009 – 2010 budget includes a rate increase of 4.9% in sewer rates effective July 1, 2009. The Commission received a four percent increase in demand costs from its electric power provider during the year. The Commission will recover much of that increase by raising its retail rates on October 1, 2009 by 2.8%. To offset the remaining impact, the Commission has reduced the operations and capital outlay budgets by 14.8% as compared to FY 2009's original budget. There are no rate increases budgeted for the Water or Gas Funds.

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 the Director of Financial Services at bdemery@greenvillenc.gov.

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BASIC FINANCIAL STATEMENTS

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CITY OF GREENVILLE, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 45,495,297	\$ 63,623,559	\$ 109,118,856
Taxes and licenses receivable, net	1,081,050	-	1,081,050
Accounts receivable, net	2,037,204	26,024,651	28,061,855
Interest receivable	12,238	-	12,238
Loans receivable	347,281	-	347,281
Due from other governments	2,905,500	1,586,958	4,492,458
Inventories	121,604	5,301,091	5,422,695
Prepaid items and deposits	885,226	34,164	919,390
Internal balances	619,866	(619,866)	-
Cash and cash equivalents, restricted	6,317,475	20,225,667	26,543,142
Total current assets	59,822,741	116,176,224	175,998,965
Land, improvements and construction in progress	49,063,726	30,490,656	79,554,382
Other capital assets, net of depreciation	90,244,634	309,064,336	399,308,970
Total non-current assets	139,308,360	339,554,992	478,863,352
Total assets	199,131,101	455,731,216	654,862,317
Liabilities:			
Accounts payable and accrued liabilities	2,729,988	18,942,879	21,672,867
Customer deposits	-	2,914,474	2,914,474
Accrued interest payable	-	1,244,248	1,244,248
Due to other governments	-	1,525,476	1,525,476
Other liabilities	938,693	-	938,693
Unearned revenue	49,022	1,815,390	1,864,412
Current portion of compensated absences	1,956,943	1,592,895	3,549,838
Current portion of long-term debt	3,130,190	9,076,835	12,207,025
Total current liabilities	8,804,836	37,112,197	45,917,033
Long-Term Liabilities:			
Noncurrent portion of long-term debt	45,261,055	119,972,899	165,233,954
Total liabilities	54,065,891	157,085,096	211,150,987
Net Assets:			
Investments in capital assets, net of related debt	98,830,413	235,067,831	333,898,244
Restricted for streets	2,052,568	-	2,052,568
Unrestricted	44,182,229	63,578,289	107,760,518
Total net assets	\$ 145,065,210	\$ 298,646,120	\$ 443,711,330

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

CITY OF GREENVILLE, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 12,826,503	\$ 2,323,108	\$ 235,400	\$ -
Public safety	32,620,618	4,221,257	570,882	2,888,716
Transportation	8,253,526	263,946	-	3,095,687
Environmental protection	1,067,637	81,315	-	-
Cultural and recreational	6,006,433	1,279,667	905,751	(346,073)
Economic and physical development	10,359,752	19,017	2,239,678	19,063
Interest and fees	1,439,741	-	-	-
Total governmental activities	<u>72,574,210</u>	<u>8,188,310</u>	<u>3,951,711</u>	<u>5,657,393</u>
Business-Type Activities:				
Electric	183,300,953	187,203,889	-	-
Water	14,437,396	13,955,270	-	2,418,234
Sewer	14,524,297	14,310,441	-	2,043,614
Gas	38,329,945	44,476,173	-	-
Public transportation	1,791,328	218,417	1,499,320	-
Bradford Creek Golf Course	911,017	799,947	-	-
Stormwater utility	2,719,453	2,958,256	18,431	-
Sanitation fund	5,958,491	5,425,154	19,910	839,666
Total business-type activities	<u>261,972,880</u>	<u>269,347,547</u>	<u>1,537,661</u>	<u>5,301,514</u>
Total primary government	<u>\$ 334,547,090</u>	<u>\$ 277,535,857</u>	<u>\$ 5,489,372</u>	<u>\$ 10,958,907</u>

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
 Investment earnings
 Transfers
 Total general revenues and transfers

Change in net assets

Net assets, beginning of year
 Prior period adjustment
 Beginning of year - restated

Net assets - ending

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

Exhibit B

**Net (Expense) Revenue and
Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (10,267,995)	\$ -	\$ (10,267,995)
(24,939,763)	-	(24,939,763)
(4,893,893)	-	(4,893,893)
(986,322)	-	(986,322)
(4,167,088)	-	(4,167,088)
(8,081,994)	-	(8,081,994)
(1,439,741)	-	(1,439,741)
<u>(54,776,796)</u>	<u>-</u>	<u>(54,776,796)</u>
-	3,902,936	3,902,936
-	1,936,108	1,936,108
-	1,829,758	1,829,758
-	6,146,228	6,146,228
-	(73,591)	(73,591)
-	(111,070)	(111,070)
-	257,234	257,234
-	326,239	326,239
<u>-</u>	<u>14,213,842</u>	<u>14,213,842</u>
\$ (54,776,796)	\$ 14,213,842	\$ (40,562,954)
29,460,925	-	29,460,925
12,757,388	-	12,757,388
897,878	-	897,878
795,188	-	795,188
97,136	-	97,136
5,206,917	-	5,206,917
345,500	-	345,500
815,224	-	815,224
2,455,041	1,472,094	3,927,135
10,863,711	(10,863,711)	-
<u>63,694,908</u>	<u>(9,391,617)</u>	<u>54,303,291</u>
<u>8,918,112</u>	<u>4,822,225</u>	<u>13,740,337</u>
134,951,136	293,823,895	428,775,031
1,195,962	-	1,195,962
<u>136,147,098</u>	<u>293,823,895</u>	<u>429,970,993</u>
\$ 145,065,210	\$ 298,646,120	\$ 443,711,330

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

CITY OF GREENVILLE, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 25,880,736	\$ 16,121,543	\$ 42,002,279
Taxes receivable, net	1,081,050	-	1,081,050
Accounts receivable, net	1,899,250	137,954	2,037,204
Interest receivable	-	12,238	12,238
Loans receivable	-	347,281	347,281
Due from other funds	1,679,055	1,580	1,680,635
Due from other governments	2,487,791	417,709	2,905,500
Inventories	121,605	-	121,605
Prepaid items and deposits	814,755	70,471	885,226
Restricted cash and investments	263,532	6,053,943	6,317,475
Total assets	<u>\$ 34,227,774</u>	<u>\$ 23,162,719</u>	<u>\$ 57,390,493</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,989,047	\$ 740,941	\$ 2,729,988
Due to other funds	134,661	872,560	1,007,221
Other liabilities	938,693	-	938,693
Deferred revenue	3,097,917	361,762	3,459,679
Total liabilities	<u>6,160,318</u>	<u>1,975,263</u>	<u>8,135,581</u>
Fund Balances:			
Reserved by State Statute	4,483,273	44,713	4,527,986
Reserved for encumbrances	2,198,950	-	2,198,950
Reserved for prepaid items and inventories	936,360	70,471	1,006,831
Reserved for Streets - Powell Bill	2,052,568	-	2,052,568
Unreserved designated for subsequent year's expenditures	2,076,906	-	2,076,906
Unreserved designated for catastrophic losses	3,161,395	-	3,161,395
Unreserved designated for NC League of Municipalities	125,000	-	125,000
Unreserved, undesignated fund balance	13,033,004	-	13,033,004
Unreserved Fund Balance Reported In:			
Special revenue	-	5,989,616	5,989,616
Debt service	-	916,387	916,387
Capital projects	-	14,166,269	14,166,269
Total fund balance	<u>28,067,456</u>	<u>21,187,456</u>	<u>49,254,912</u>
Total liabilities and fund balances	<u>\$ 34,227,774</u>	<u>\$ 23,162,719</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.	135,291,537
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 60 days of year end. These receivables are a component of net assets in the statement of net assets.	3,410,657
Internal service funds are used by management to charge the costs of dental insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	7,456,293
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.	(50,348,189)
Net assets of governmental activities	<u>\$ 145,065,210</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 29,715,154	\$ -	\$ 29,715,154
Other taxes	14,547,590	807,410	15,355,000
Unrestricted intergovernmental	5,560,231	-	5,560,231
Restricted intergovernmental	3,172,924	6,858,158	10,031,082
Licenses, permits and fees	2,398,285	-	2,398,285
Sales and services	5,445,909	158,136	5,604,045
Investment earnings	2,258,732	190,497	2,449,229
Other revenues	(13,198)	437,443	424,245
	<u>63,085,627</u>	<u>8,451,644</u>	<u>71,537,271</u>
Expenditures:			
Current:			
General government	8,991,426	-	8,991,426
Public safety	32,746,736	-	32,746,736
Public works	8,874,322	-	8,874,322
Cultural and recreational	1,745,452	2,140,860	3,886,312
Economic and physical development	5,815,803	1,743,616	7,559,419
Capital outlay	2,529,023	8,925,447	11,454,470
Reimbursement of indirect cost	(528,486)	-	(528,486)
Contribution to OPEB Trust	250,000	-	250,000
Debt Service:			
Principal retirement	-	10,636,000	10,636,000
Interest and fees	-	1,439,741	1,439,741
	<u>60,424,276</u>	<u>24,885,664</u>	<u>85,309,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,661,351</u>	<u>(16,434,020)</u>	<u>(13,772,669)</u>
Other Financing Sources (Uses):			
Transfers from other funds	7,340,303	16,513,678	23,853,981
Transfers to other funds	(15,949,508)	(3,127,330)	(19,076,838)
Transfer to close Aquatics fund	(47,582)	-	(47,582)
Sale of Property	-	175,500	175,500
Long term debt issued	7,090,976	4,922,540	12,013,516
	<u>(1,565,811)</u>	<u>18,484,388</u>	<u>16,918,577</u>
Net change in fund balances	1,095,540	2,050,368	3,145,908
Fund balance, beginning of year	<u>26,971,916</u>	<u>19,137,088</u>	<u>46,109,004</u>
Fund balances, end of year	<u>\$ 28,067,456</u>	<u>\$ 21,187,456</u>	<u>\$ 49,254,912</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Net change in fund balances - total governmental funds	\$	3,145,908
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.		8,638,242
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.		(6,121,597)
There are differences in the revenues in the Statement of Activities and revenues in the funds for:		
Property tax		(254,229)
Sales and services and other revenues		91,666
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.		(2,262,581)
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.		(12,013,516)
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.		10,636,000
Gain (loss) on disposal of capital assets is reported in the Statement of Activities but not the funds statement.		(189,012)
Contributed capital from other funds is reported in the Statement of Activities but not the fund statements.		5,783,543
The internal service fund is used by management to charge the costs of dental insurance costs. The net revenue of the internal service fund is determined to be governmental-type.		<u>1,463,688</u>
Change in net assets of governmental activities	\$	<u>8,918,112</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**GENERAL FUND - BUDGET AND ACTUAL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund			
	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 28,977,812	\$ 29,002,812	\$ 29,715,154	\$ 712,342
Other taxes	15,261,045	15,261,045	14,547,590	(713,455)
Unrestricted intergovernmental	5,116,988	5,116,988	5,560,231	443,243
Restricted intergovernmental	3,587,696	4,275,892	3,172,924	(1,102,968)
Licenses, permits and fees	3,293,337	3,131,840	2,398,285	(733,555)
Sales and services	4,810,519	4,827,178	5,445,909	618,731
Investment earnings	1,631,956	1,631,956	2,258,732	626,776
Other revenues	457,878	462,308	(13,198)	(475,506)
Total revenues	<u>63,137,231</u>	<u>63,710,019</u>	<u>63,085,627</u>	<u>(624,392)</u>
Expenditures:				
Current:				
General government	9,412,129	9,872,586	8,991,426	881,160
Public safety	32,340,118	33,992,098	32,746,736	1,245,362
Public works	9,925,805	10,140,513	8,874,322	1,266,191
Economic development	2,150,970	2,078,898	1,745,452	333,446
Cultural and recreational	6,047,963	6,124,483	5,815,803	308,680
Capital outlay	4,397,775	6,224,865	2,529,023	3,695,842
Reimbursement of indirect cost	(528,486)	(528,486)	(528,486)	-
Contribution to OPEB Trust	-	250,000	250,000	-
Contingency	228,639	58,397	-	58,397
Total expenditures	<u>64,974,913</u>	<u>68,213,354</u>	<u>60,424,276</u>	<u>7,789,078</u>
Revenues over (under) expenditures	<u>(837,682)</u>	<u>(4,503,335)</u>	<u>2,661,351</u>	<u>7,164,686</u>
Other Financing Sources (Uses):				
Transfers from other funds	5,972,962	7,213,241	7,340,303	127,062
Transfers to other funds	(6,660,482)	(9,241,612)	(15,949,508)	(6,707,896)
Long-term debt issued	-	-	7,090,976	7,090,976
Transfer to close Aquatics fund	-	-	(47,582)	(47,582)
Appropriated fund balance	<u>1,525,202</u>	<u>6,531,706</u>	-	<u>(6,531,706)</u>
Total other financing sources (uses)	<u>837,682</u>	<u>4,503,335</u>	<u>(1,565,811)</u>	<u>(6,069,146)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,095,540</u>	<u>\$ 1,095,540</u>
Fund balance, beginning of year			<u>26,971,916</u>	
Fund balance, end of year			<u>\$ 28,067,456</u>	

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

CITY OF GREENVILLE, NORTH CAROLINA

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 35,757,528	\$ 3,366,635	\$ 8,997,664	\$ 9,605,661
Accounts receivable, net	20,204,110	1,490,509	1,439,901	2,122,038
Due from other governments	776,485	660,075	66,746	64,296
Due from other funds	133,081	-	-	-
Inventories	3,947,944	703,295	92,917	542,735
Prepaid items and deposits	14,272	6,759	6,081	6,802
Cash and cash equivalents, restricted	5,032,360	5,658,929	6,414,289	1,387,122
Total current assets	<u>65,865,780</u>	<u>11,886,202</u>	<u>17,017,598</u>	<u>13,728,654</u>
Noncurrent Assets:				
Land improvements and construction in progress	5,401,811	7,519,949	10,124,211	1,383,909
Other capital assets, net	84,980,576	84,469,488	108,473,066	28,360,616
Total noncurrent assets	<u>90,382,387</u>	<u>91,989,437</u>	<u>118,597,277</u>	<u>29,744,525</u>
Total assets	156,248,167	103,875,639	135,614,875	43,473,179
Liabilities and Net Assets:				
Current Liabilities:				
Accounts payable and accrued liabilities	14,932,722	740,526	1,230,521	1,820,765
Customer deposits	2,352,063	311,555	200	250,656
Accrued interest payable	282,698	503,092	319,024	139,434
Due to other governments	6,181	-	1,519,295	-
Due to other funds	875,227	-	-	-
Deferred revenue	-	369,750	577,619	-
Current portion of compensated absences	657,962	309,079	209,657	225,780
Current maturities of long-term debt	-	2,200,455	3,587,503	846,750
Total current liabilities	<u>21,067,958</u>	<u>4,434,457</u>	<u>7,443,819</u>	<u>3,283,385</u>
Noncurrent Liabilities:				
Compensated absences payable	112,958	154,808	48,775	18,713
Deferred revenue	-	-	307,421	-
Noncurrent portion of other postemployment benefits	2,346,888	1,066,145	732,856	763,568
Noncurrent portion of long-term debt	26,938,268	34,092,054	36,394,955	11,142,396
Total noncurrent liabilities	<u>29,398,114</u>	<u>35,313,007</u>	<u>37,484,007</u>	<u>11,924,677</u>
Total liabilities	<u>50,466,072</u>	<u>39,747,464</u>	<u>44,927,826</u>	<u>15,208,062</u>
Net Assets:				
Investment in capital assets, net of related debt	66,515,374	61,279,807	84,951,953	19,142,501
Unrestricted net assets	<u>39,266,721</u>	<u>2,848,368</u>	<u>5,735,096</u>	<u>9,122,616</u>
Total net assets	<u>\$ 105,782,095</u>	<u>\$ 64,128,175</u>	<u>\$ 90,687,049</u>	<u>\$ 28,265,117</u>

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

Exhibit G

Other Nonmajor Enterprise	Total Enterprise Funds	Combined Internal Service Funds
\$ 5,896,071	\$ 63,623,559	\$ 3,493,018
768,093	26,024,651	-
19,356	1,586,958	-
733,096	866,177	-
14,200	5,301,091	-
250	34,164	-
1,732,967	20,225,667	-
<u>9,164,033</u>	<u>117,662,267</u>	<u>3,493,018</u>
6,060,776	30,490,656	-
2,780,590	309,064,336	4,016,823
<u>8,841,366</u>	<u>339,554,992</u>	<u>4,016,823</u>
18,005,399	457,217,259	7,509,841
218,345	18,942,879	-
-	2,914,474	-
-	1,244,248	-
-	1,525,476	-
610,816	1,486,043	53,548
560,600	1,507,969	-
190,417	1,592,895	-
481,022	9,076,835	-
<u>2,061,200</u>	<u>38,290,819</u>	<u>53,548</u>
81,606	416,860	-
-	307,421	-
896,761	5,806,218	-
5,182,148	113,749,821	-
<u>6,160,515</u>	<u>120,280,320</u>	<u>-</u>
8,221,715	158,571,139	53,548
3,178,196	235,067,831	4,016,823
6,605,488	63,578,289	3,439,470
<u>\$ 9,783,684</u>	<u>\$ 298,646,120</u>	<u>\$ 7,456,293</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Operating Revenues:				
Charges for services	\$ 186,348,292	\$ 13,460,732	\$ 13,671,426	\$ 44,314,804
Other operating revenues	472,514	78,685	73,490	93,095
Total operating revenues	<u>186,820,806</u>	<u>13,539,417</u>	<u>13,744,916</u>	<u>44,407,899</u>
Operating Expenses:				
Administrative and general	6,960,018	2,033,382	2,205,940	2,267,056
Operations and maintenance	12,568,285	8,030,898	7,141,534	4,687,222
Purchased power and gas	155,743,094	-	-	29,460,481
Depreciation and amortization	6,903,947	3,134,453	3,895,206	1,390,741
Claims	-	-	-	-
Total operating expenses	<u>182,175,344</u>	<u>13,198,733</u>	<u>13,242,680</u>	<u>37,805,500</u>
Operating income (loss)	<u>4,645,462</u>	<u>340,684</u>	<u>502,236</u>	<u>6,602,399</u>
Non-Operating Revenues (Expenses):				
Investment earnings	794,427	238,292	271,819	120,988
Restricted intergovernmental revenues	-	-	-	-
Other revenue	383,083	415,853	565,525	68,274
Interest expense	(1,125,609)	(1,238,663)	(1,281,617)	(524,445)
Loss on disposal of capital assets	-	-	-	-
Total non-operating revenue (expenses)	<u>51,901</u>	<u>(584,518)</u>	<u>(444,273)</u>	<u>(335,183)</u>
Income (loss) before transfers and contributions	<u>4,697,363</u>	<u>(243,834)</u>	<u>57,963</u>	<u>6,267,216</u>
Transfers In (Out) and Capital Contributions:				
Capital Contributions	-	2,418,234	2,043,614	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(1,077,886)
Total transfers in (out) and capital contributions:	<u>(4,208,481)</u>	<u>2,418,234</u>	<u>2,043,614</u>	<u>(1,077,886)</u>
Change in net assets	<u>488,882</u>	<u>2,174,400</u>	<u>2,101,577</u>	<u>5,189,330</u>
Net Assets:				
Beginning of year - July 1st	105,293,213	61,953,775	88,585,472	23,075,787
Prior period adjustment	-	-	-	-
Beginning of year - restated	<u>105,293,213</u>	<u>61,953,775</u>	<u>88,585,472</u>	<u>23,075,787</u>
End of year - June 30th	<u>\$ 105,782,095</u>	<u>\$ 64,128,175</u>	<u>\$ 90,687,049</u>	<u>\$ 28,265,117</u>

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

Exhibit H

Other Nonmajor Enterprise	Total Enterprise Funds	Combined Internal Service Funds
\$ 9,371,027	\$ 267,166,281	\$ 2,780,092
30,747	748,531	107,513
<u>9,401,774</u>	<u>267,914,812</u>	<u>2,887,605</u>
21,327	13,487,723	-
10,332,822	42,760,761	213,458
-	185,203,575	-
781,244	16,105,591	446,808
-	-	204,619
<u>11,135,393</u>	<u>257,557,650</u>	<u>864,885</u>
(1,733,619)	10,357,162	2,022,720
46,568	1,472,094	5,812
1,537,661	1,537,661	-
-	1,432,735	-
(240,263)	(4,410,597)	-
(4,633)	(4,633)	(8,448)
<u>1,339,333</u>	<u>27,260</u>	<u>(2,636)</u>
(394,286)	10,384,422	2,020,084
839,666	5,301,514	-
476,990	476,990	32,234
(6,054,334)	(11,340,701)	(588,630)
<u>(4,737,678)</u>	<u>(5,562,197)</u>	<u>(556,396)</u>
(5,131,964)	4,822,225	1,463,688
14,915,648	293,823,895	4,796,643
-	-	1,195,962
<u>14,915,648</u>	<u>293,823,895</u>	<u>5,992,605</u>
<u>\$ 9,783,684</u>	<u>\$ 298,646,120</u>	<u>\$ 7,456,293</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Operating Activities:				
Cash received from customers	\$ 185,707,502	\$ 14,199,935	\$ 14,271,393	\$ 45,285,626
Other operating receipts	343,166	202,854	1,719,844	79,668
Cash paid to vendors	(165,198,686)	(5,542,209)	(4,227,082)	(33,814,489)
Cash paid to employees	(9,093,099)	(4,534,600)	(4,003,165)	(3,440,189)
Other operating payments	-	-	-	-
Net cash provided by (used in) operating activities	<u>11,758,883</u>	<u>4,325,980</u>	<u>7,760,990</u>	<u>8,110,616</u>
Noncapital Financing Activities:				
Transfer from (to) other funds	(4,319,055)	-	-	(1,165,500)
Change in due from other funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(4,319,055)</u>	<u>-</u>	<u>-</u>	<u>(1,165,500)</u>
Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(10,895,829)	(5,737,085)	(7,468,700)	(1,431,944)
Capital grants	-	245,402	-	-
Capital related receipts from customers	-	76,050	340,431	-
Interfund transfer of capital assets	-	(2,847,367)	2,847,367	-
Proceeds from issuance of long-term debt	320,000	92,400	1,969,486	-
Principal repayments of long-term debt	(1,498,985)	(1,817,776)	(3,367,976)	(784,847)
Interest and other debt related expenses	(1,270,091)	(1,289,616)	(1,489,737)	(559,549)
Net cash provided by (used in) capital and related financing activities	<u>(13,344,905)</u>	<u>(11,277,992)</u>	<u>(7,169,129)</u>	<u>(2,776,340)</u>
Investing Activities:				
Interest received on investments	790,677	237,980	270,845	119,985
Net cash provided by (used in) investing activities	<u>790,677</u>	<u>237,980</u>	<u>270,845</u>	<u>119,985</u>
Net increase (decrease) in cash and cash equivalents/investments	(5,114,400)	(6,714,032)	862,706	4,288,761
Cash and Cash Equivalents/Investments				
Beginning of year - July 1st	<u>45,904,288</u>	<u>15,739,596</u>	<u>14,549,247</u>	<u>6,704,022</u>
End of year - June 30th	<u>\$ 40,789,888</u>	<u>\$ 9,025,564</u>	<u>\$ 15,411,953</u>	<u>\$ 10,992,783</u>

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

**Exhibit I
Page 1 of 2**

Other Nonmajor Enterprise	Total Enterprise Funds	Combined Internal Service Funds
\$ 9,324,176	\$ 268,788,632	\$ 2,887,606
-	2,345,532	-
(7,134,019)	(215,916,485)	(1,615,084)
(2,254,759)	(23,325,812)	-
-	-	-
<u>(64,602)</u>	<u>31,891,867</u>	<u>1,272,522</u>
476,990	(5,007,565)	32,234
357,489	357,489	-
<u>834,479</u>	<u>(4,650,076)</u>	<u>32,234</u>
(1,104,841)	(26,638,399)	(1,899,967)
1,537,286	1,782,688	-
-	416,481	-
-	-	-
-	2,381,886	-
(291,854)	(7,761,438)	-
(240,263)	(4,849,256)	-
<u>(99,672)</u>	<u>(34,668,038)</u>	<u>(1,899,967)</u>
46,568	1,466,055	5,812
<u>46,568</u>	<u>1,466,055</u>	<u>5,812</u>
716,773	(5,960,192)	(589,399)
6,912,265	89,809,418	4,082,417
<u>\$ 7,629,038</u>	<u>\$ 83,849,226</u>	<u>\$ 3,493,018</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 4,645,462	\$ 340,684	\$ 502,236	\$ 6,602,399
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	6,903,947	3,134,453	3,895,206	1,390,741
Miscellaneous income (expense) adjustments	383,083	339,804	225,094	68,274
Change in Assets and Liabilities:				
Accounts receivable	(1,147,701)	228,071	166,289	836,075
Due from other governments	5,137	(136,198)	(23,545)	6,646
Due from other funds	(38,984)	-	-	-
Inventories	(510,865)	169,105	(9,663)	55,252
Prepaid expense and deposits	(9,717)	(3,035)	(3,163)	(961)
Accounts payable and accrued expenses	520,456	(582,278)	716,330	(1,308,999)
Customer deposits	28,327	61,945	100	46,400
Due from other governments	-	-	1,515,000	-
Due to other funds	(5,765)	(5,283)	(5,283)	82,331
Compensated absences	(13,883)	34,569	19,887	14,371
Other postemployment benefits accrual	999,386	374,393	399,119	318,087
Deferred revenues	-	369,750	363,383	-
Net cash provided by (used in) operating activities	\$ 11,758,883	\$ 4,325,980	\$ 7,760,990	\$ 8,110,616
Other Disclosures:				
Interest incurred	\$ 1,334,848	\$ 1,526,768	\$ 1,553,942	\$ 564,801
Interest paid	1,256,803	1,282,128	1,482,249	552,061
Interest capitalized	244,958	323,405	313,209	52,414
Noncash Capital and Related Financing Activities:				
Contributions of capital assets	\$ -	\$ 1,833,101	\$ 2,043,614	\$ -

In 2009, the City Council agreed to absorb the Greenville Aquatics and Fitness Center into the Recreation and Parks Department budget within the General Fund. Net assets of \$6,054,334 were transferred to the General Fund.

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

**Exhibit I
Page 2 of 2**

Other Nonmajor Enterprise	Total Enterprise Funds	Internal Service Fund
\$ (1,733,619)	\$ 10,357,162	\$ 2,022,720
781,244	16,105,591	446,808
-	1,016,255	-
(442,552)	(359,818)	-
-	(147,960)	-
-	(38,984)	-
(3)	(296,174)	-
-	(16,876)	-
73,544	(580,947)	(1,197,006)
-	136,772	-
-	1,515,000	-
-	66,000	-
196,728	251,672	-
695,102	2,786,087	-
364,954	1,098,087	-
<u>\$ (64,602)</u>	<u>\$ 31,891,867</u>	<u>\$ 1,272,522</u>
\$ 240,263	\$ 5,220,622	\$ -
240,263	4,813,504	-
-	933,986	-
<u>\$ -</u>	<u>\$ 3,876,715</u>	<u>\$ -</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	OPEB Trust Fund
Assets	
Cash and cash equivalents	\$ <u>250,299</u>
Net assets:	
Assets held in trust for OPEB benefits	\$ <u>250,299</u>

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

Exhibit K

CITY OF GREENVILLE, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	OPEB Trust Fund
	<u> </u>
Additions:	
Employer contributions	\$ 250,000
Investment earnings	299
Total additions	<u>250,299</u>
Change in net assets	<u>250,299</u>
Net assets, beginning	<u>-</u>
Net assets, ending	<u>\$ 250,299</u>

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NOTES DISCLOSURES STATEMENTS

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CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**1. 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 81,092. 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 the 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 assets 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 fund:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State-shared revenue, 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 nonmajor funds, by type:

Nonmajor Enterprise Funds – The nonmajor enterprise funds are used to account for the operation of providing various City services to residents. The City maintains four enterprise funds: Public Transportation, Bradford Creek Golf Course, Stormwater Utility, and Sanitation.

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 legally restricted to expenditures for specified purposes. The City maintains six special revenue funds: the Community Development Fund, Capital Reserve Fund, Sheppard Memorial Library, Housing Trust Fund, Small Business Loan Fund, and League of Municipalities Conference Fund.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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, 2009, the City has twenty-two capital project funds that were open during the fiscal year, covering various construction projects: Cemetery Development, Affordable Housing Project, Computerized Traffic Signal Project, West Third Street Capital Project, 2005 COPS Various City Capital Projects, City Hall Facility, 45 Block Revitalization, Center City Revitalization, Stantonsburg Road/10th Street Connector, South Tar River Greenway, Sidewalk Construction Project, Way Finding Community Development, Thomas Langston Road Extension Project, Intermodal Transportation Center Project, Employee Parking Lot Expansion Project, Dickinson Avenue Relocation Project, Convention Center Expansion Project, Community Oriented Policing Service Project, Technology for Public Safety Project, Public Works Beatty Street Project, Lead-Based Paint Hazard Grant, and GAFC Renovation project.

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 – 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 two internal service funds: the Dental Reimbursement Fund and the Vehicle Replacement 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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 90 days after year-end, except for property taxes. Ad valorem taxes receivable 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 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, 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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

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. Grant revenues which are unearned at year-end are recorded as unearned revenues. 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 assets 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.

As permitted by generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**Budgetary Procedures and Budgetary Accounting**

The City Manager and departments of the City of Greenville prepare the annual budget for city operations on a biannual 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 and three of the six special revenue funds are budgeted under project ordinances spanning more than one fiscal year. 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 name" level. All amendments must be approved by the City Council. Individual amendments were not material in relation to the original appropriations.

Management 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 expenditures/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, incurred but not reported health insurance liabilities, and allowance for uncollectible accounts.

Assets, Liabilities, 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.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 Statue 147-69.4 allows the City to establish an OPEB Trust Fund under the management 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

Cash and cash equivalents and investments of the individual funds are combined to form several pools of cash and investments. All cash equivalents are accounted for at cost, which approximates market. Investments are reported at fair value. Interest earned as a result of pooling is distributed to the appropriate funds based on their equity in the pool.

Restricted Assets

The City issues general obligation and revenue bonds for capital projects. The amount of unexpended bond proceeds, including investment earnings is shown as restricted assets because their use of the proceeds is completely restricted to the purpose for which the bonds were originally issued. Revenue bond proceeds are placed with a trustee for safekeeping and dispersion as needed. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

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 sixty days after year-end is shown as deferred revenue.

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 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, 2008. As allowed by State law, the City has established a Schedule of Discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts. Uncollected taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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, refuse fees, rescue fees receivable, and miscellaneous receivables, which historically experience uncollectible accounts. An allowance for doubtful accounts is also maintained for Enterprise Fund customer receivables. 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 supplies. Inventories are valued at cost using the first-in, first-out (FIFO) method. 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. 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 capital assets are recorded at 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 construction in progress to the extent that it exceeds income.

The estimated useful lives are as follows:

Asset Class	Estimated Useful Lives
Land Improvements	10 years
Buildings	30 years, 33 years (GUC)
Equipment	3 to 20 years
Distribution systems	20 to 50 years
Infrastructure	50 years

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The rate structure of the Public Transportation Fund is inadequate to generate sufficient revenues to cover the acquisition and future expansion of its property and equipment. It therefore must seek capital grants from federal, State, and local sources. The estimated useful lives of transportation capital assets, which are depreciated using the straight-line method, are as follows:

Asset Class	Estimated Useful Lives
Plant and structures	30 years
Buses	10 years
Furniture, fixtures, machinery and equipment	5 to 8 years

The Bradford Creek Golf Course Fund assets were purchased through installment financing. The payments for this financing are being made utilizing the revenues of the Bradford Creek Golf Course Fund. The assets are depreciated using the straight-line method over estimated useful lives of 5-8 years.

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 assets. Bond premiums and discounts, as well as issuance costs, 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 are reported as deferred charges and amortized over the term of the related 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

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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.

Deferred Revenue

In the fund financial statements, ad valorem taxes receivable are not accrued as revenue because they are not considered to be both "measurable and available." Ad valorem taxes receivable that are measurable but not available are recorded as deferred revenue in the fund financial statements. In addition, property taxes collected in advance of the fiscal year to which they apply are also recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end. The City also records customer receivables for lot cleaning and demolition liens and prepaid licenses as deferred revenues. These items have not been accrued as revenues either, because they are not considered to be "available" or because they have been collected in advance of the licensing period. Restricted grants that are received before qualifying expenditures are made are also recorded as deferred revenue.

Net Assets/Fund Balances**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent 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, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute – portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Reserved for encumbrances – portion of fund balance available to pay for commitments related to purchase orders or contracts which remain unperformed at year-end.

Reserved for prepaid items and inventories – represents the year-end fund balance of ending prepaid items and inventories, which are not expendable, available resources.

Reserved for streets – Powell Bill – portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for subsequent year’s expenditures – portion of total fund balance available for appropriation that has been designated for the adopted 2009 - 2010 budget ordinance.

Designated for catastrophic losses – portion of total fund balance available for appropriation that has been designated for any unexpected casualty.

Designated for NC League of Municipalities – portion of total fund balance available for appropriation that has been designated for 2009 State Conference in the City.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

2. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations:

The City has overextended its budget authority at the legal level of control as of June 30, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Reason</u>
General Fund:				
Airport expenditures	\$ -	\$ 32,356	\$ (32,356)	Timing of reimbursement for payroll expenditures
Transfer to close Aquatics fund	-	47,582	(47,582)	To close the Aquatics and Fitness Center fund
Nonmajor Capital Projects:				
City Hall Facility	12,798,520	12,938,738	(140,218)	Unexpected expenditures. Will adjust budget upon close of project
Bradford Creek Golf Course:				
Operating expenses	961,097	1,002,260	(41,163)	Unexpected operational expenditures

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Deficit Fund Balance or Net Assets of Individual Funds:

The following individual funds had a deficit fund balance at June 30, 2009:

Nonmajor Capital Projects:		Management Plans to Address Deficit
South Tar River Greenway	\$ (18,888)	Timing of reimbursement from N.C. DOT
Community Oriented Policing Service Project	(23,238)	Timing of reimbursement from grant
Lead Based ARRA Grant	(863)	Timing of reimbursement from grant
Nonmajor Enterprise Funds:		
Bradford Creek Golf Course	(194,313)	Economic effect on municipal course
Internal Service Funds:		
Dental Reimbursement	(44,214)	Unexpected claims

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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

At June 30, 2009, the City's deposits had a carrying amount of \$17,025,247 and a bank balance of \$9,337,595. Of the bank balance, \$6,141,279 was covered by federal depository insurance and the remainder of \$3,196,316 was covered by collateral held under the pooling method.

At June 30, 2009, the Commission's deposits had a carrying amount of \$56,877,312 and a bank balance of \$56,825,727. Of the bank balance, \$7,325,297 was covered by Federal depository insurance, and \$49,500,430 was covered by collateral held under the pooling method. The Commission's cash on hand at June 30, 2009 consisted of various petty cash funds totaling \$3,300.

At June 30, 2009, City's OPEB Trust Fund had \$250,299 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to G.S. 147-69.4. 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) 29.35%; State Treasurer's Long Term Investment Fund (LTIF) 12.45% and Barclay's Global International Equity Fund 58.19% (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 1.8 years at June 30, 2009. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.6 years at June 30, 2009.

Credit Risk: The City does not have a formal investment policy regarding credit risk for the HCB Plan 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.

Investments

At June 30, 2009, the investments and related maturities of the City were as follows:

Investment Type	Fair Value	Less Than Six			
		Months	6-12 Months	1-3 Years	3+ Years
NC Capital Management Trust - Cash Portfolio	\$ 19,623,006	\$ 19,623,006	\$ -	\$ -	\$ -
Government Agency -FHLB	7,441,720	-	726,154	3,485,922	3,229,644
Government Agency -FHLMC	5,890,244	-	-	3,051,346	2,838,898
Government Agency - FNMA	9,448,990	-	1,417,230	2,663,350	5,368,410
Total investments	\$ 42,403,959	\$ 19,623,006	\$ 2,143,384	\$ 9,200,618	\$ 11,436,952

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
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At June 30, 2009, the Commission had \$19,352,180 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's.

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 5 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 City's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2009. The City's investments in US Government Agencies are rated AAA by Standard & Poor's.

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 policy limits the amount of the total portfolio that can be invested in any one type of investment or with a single financial institution. Investments making up more than 5% of the City's investments are as follows:

Issuer	Amount	% of Investments
Federal Home Loan Mortgage Corporation	5,890,244	12%
Federal National Mortgage Association	9,448,990	20%

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.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Receivables

Disaggregate information regarding receivables at June 30, 2009, was as follows:

Governmental Activities:	Amount	Allowance For Doubtful Accounts	Net Receivable
Taxes receivable	\$ 1,769,137	\$ 688,087	\$ 1,081,050
Accounts Receivable:			
Rescue fees receivable	2,538,811	1,431,172	1,107,639
Lot cutting fees receivable	486,507	-	486,507
Parking violations receivable	233,369	-	233,369
Other receivables	-	-	209,689
Total governmental activities	\$ 3,258,687	\$ 1,431,172	\$ 2,037,204
Business-type Activities:			
Greenville Utilities Commission	\$ 32,396,762	\$ 7,140,204	\$ 25,256,558
Other nonmajor enterprise	1,306,081	537,988	768,093
Total - business-type activities	\$ 33,702,843	\$ 7,678,192	\$ 26,024,651

Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2009, was as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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	Balance				Balance
	July 1, 2008	Increases	Decreases	Transfers	June 30, 2009
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 36,256,842	\$ 273,016	\$ (164,128)	\$ 199,200	\$ 36,564,930
Construction in progress	<u>6,669,672</u>	<u>8,734,572</u>	<u>(2,089,862)</u>	<u>(815,586)</u>	<u>12,498,796</u>
Total capital assets not being depreciated	42,926,514	9,007,588	(2,253,990)	(616,386)	49,063,726
Capital Assets Being Depreciated:					
Buildings	47,028,420	1,157,940	(187,615)	8,811,828	56,810,573
Improvements	6,778,922	162,423	(43,796)	205,480	7,103,029
Infrastructure	54,366,550	-	-	-	54,366,550
Machinery and equipment	<u>25,676,144</u>	<u>1,064,281</u>	<u>(2,964,440)</u>	<u>(3,220,285)</u>	<u>20,555,700</u>
Total capital assets being depreciated	133,850,037	2,384,644	(3,195,851)	5,797,023	138,835,852
Less Accumulated Depreciation For:					
Buildings	(13,377,226)	(2,276,368)	93,049	(1,763,254)	(17,323,799)
Improvements	(3,074,938)	(565,995)	41,995	-	(3,598,937)
Infrastructure	(12,824,905)	(1,087,331)	-	-	(13,912,236)
Machinery and equipment	<u>(21,276,638)</u>	<u>(2,191,903)</u>	<u>2,871,796</u>	<u>2,823,676</u>	<u>(17,773,069)</u>
Total accumulated depreciation	<u>(50,553,707)</u>	<u>(6,121,597)</u>	<u>3,006,840</u>	<u>1,060,422</u>	<u>(52,608,041)</u>
Total capital assets being depreciated, net	\$ <u>83,296,330</u>				\$ <u>86,227,811</u>
Internal Service Fund: (Reported in Governmental Activities)					
Vehicles	\$ 3,454,436	\$ 1,899,967	\$ (588,630)	\$ (9,216)	\$ 4,756,557
Less: Accumulated Depreciation	<u>(293,694)</u>	<u>(446,808)</u>	<u>-</u>	<u>767</u>	<u>(739,734)</u>
Capital assets, net	\$ <u>3,160,742</u>	\$ <u>1,453,159</u>	\$ <u>(588,630)</u>	\$ <u>(8,449)</u>	\$ <u>4,016,823</u>

An adjustment to beginning fund balance has been recorded in the Internal Service fund in the amount of \$1,195,962 to account for capital outlay accruals that were not capitalized in prior year.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$	1,074,796
Public safety		1,343,013
Cultural and recreational		2,211,628
Transportation- related to infrastructure		404,829
Infrastructure		<u>1,087,331</u>
Total	\$	<u>6,121,597</u>
General government - Internal Service Fund	\$	<u>446,808</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.

	July 1, 2008	Additions	Deletions	Transfers	June 30, 2009
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2,866,390	\$ -	\$ -	\$ (199,200)	\$ 2,667,190
Construction in progress	3,065,646	327,940	-	-	3,393,586
Total capital assets not being depreciated	5,932,036	327,941	-	(199,200)	6,060,776
Capital Assets Being Depreciated:					
Buildings	8,192,617	-	-	(7,717,475)	475,142
Improvements other than buildings	708,615	-	-	(484,250)	224,365
Machinery and equipment	3,582,668	672,650	(539,021)	3,913,454	7,629,751
Infrastructure	80,631	-	-	-	80,631
Total capital assets being depreciated	12,564,531	672,650	(539,021)	(4,288,271)	8,409,889
Less Accumulated Depreciation For:					
Buildings	(1,419,757)	(15,837)	-	1,283,813	(151,781)
Improvements other than buildings	(543,633)	(16,221)	-	479,441	(80,413)
Machinery and equipment	(2,358,345)	(749,186)	534,102	(2,823,676)	(5,397,105)
Total accumulated depreciation	(4,321,735)	(781,244)	534,102	(1,060,422)	(5,629,299)
Total capital assets being depreciated, net	8,242,796				2,780,590
Business-type activity capital assets, net	\$ 14,174,832				\$ 8,841,366

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NOTES TO THE FINANCIAL STATEMENTS
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Capital asset activity for the Commission for the year ended June 30, 2009, was as follows:

	July 1, 2008	Additions	Deletions	Transfers	June 30, 2009
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,462,748	\$ -	\$ -	\$ -	\$ 3,462,748
Construction in progress	7,896,543	14,992,705	-	(1,922,116)	20,967,132
Total	11,359,291	14,992,705	-	(1,922,116)	24,429,880
<i>Capital assets being depreciated:</i>					
Land rights	368,768	-	-	175,500	544,268
Buildings	111,944,013	348,423	-	1,547,293	113,839,729
Furniture and office equipment	7,673,236	109,264	-	199,323	7,981,823
Vehicles and equipment	17,638,703	1,655,805	(643,977)	-	18,650,531
Distribution systems	348,902,609	12,856,378	-	-	361,758,987
Transmission systems	28,181,876	391,003	-	-	28,572,879
Total	514,709,205	15,360,873	(643,977)	1,922,116	531,348,217
<i>Less accumulated depreciation for:</i>					
Land rights	368,768	17,552	-	-	386,320
Buildings	35,385,032	3,492,700	-	-	38,877,732
Furniture and office equipment	5,890,807	410,415	-	-	6,301,222
Vehicles and equipment	14,222,560	1,153,083	(634,658)	-	14,740,985
Distribution systems	140,361,296	9,381,883	-	-	149,743,179
Transmission systems	14,146,319	868,714	-	-	15,015,033
Total	210,374,782	15,324,347	(634,658)	-	225,064,471
Total capital assets being depreciated, net	304,334,423				306,283,746
Net capital assets	\$ 315,693,714				\$ 330,713,626

The Commission's depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2009 totaled \$6,903,947, \$3,134,453, \$3,895,206, and \$1,390,741, respectively.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
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Construction Commitments (Commission)

The Commission has active construction projects as of June 30, 2009. At year-end, the Commission's commitments with contractors are as follows:

<i>Project Name</i>	<i>Spent-to-date</i>	<i>Remaining Commitments</i>
<i>Electric distribution system</i>	\$ 3,907,161	\$ 1,355,154
<i>Water treatment and distribution system</i>	6,421,411	8,225,524
<i>Sewer treatment and collection system</i>	6,149,324	12,684,818
<i>Natural gas distribution system</i>	1,058,486	229,352
<i>Totals</i>	\$ 17,536,382	\$ 22,494,848

Liabilities

Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. The City of Greenville and 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 4.87% and 4.86%, 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, 2009, 2008, and 2007 were \$1,747,018, \$1,658,268, and \$1,552,237, respectively. The Commission's contributions to LGERs for the years ended June 30, 2009, 2008 and 2007 were \$1,137,461, \$1,097,303 and \$1,045,204, respectively. The contributions made by the City and the Commission equaled the required contributions for each year.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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, 2008, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to, but not yet receiving, benefits	21
Active plan members	<u>173</u>
Total	<u>194</u>

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.

A separate report is not issued for the plan.

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, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The City did not pay a percentage of covered payroll to the plan during the year ended June 30, 2009. The City made benefit payments to 21

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

retirees in the amount of \$299,364, which has been charged to salaries and wages expense in the General Fund. The net pension obligation of \$1,415,229 is reflected in the financial statements as a long-term liability.

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

Employer annual required contribution	\$ 357,105
Interest on net pension obligation	97,312
Adjustment to annual required contribution	<u>(82,061)</u>
Annual pension cost	372,356
Employer contributions made for fiscal year ending June 30, 2009	<u>299,364</u>
Increase (decrease) in net pension obligation	72,992
Net pension obligation:	
Beginning of year - July 1	<u>1,342,237</u>
End of year - June 30	<u>\$ 1,415,229</u>

Three-Year Trend Information

Historical trend information for the Law Enforcement Officers' annual pension costs is presented below for the past three years.

Fiscal Year Ended	Annual Pension Cost (APC)	APC Contributed	Net Pension Obligation
6/30/2007	\$ 301,524	87.00%	\$ 1,279,331
6/30/2008	334,357	81.19%	1,342,237
6/30/2009	372,356	80.40%	1,415,229

Funded Status and Funding Progress

As of December 31, 2008, 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 \$3,766,789. The covered payroll (annual payroll of active employees covered by the plan) was \$9,205,403, and the ratio of the UAAL to the covered payroll was 40.92 percent.

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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**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, 2009 were \$1,065,781 which consisted of \$476,952 from the City and \$588,829 from the law enforcement officers.

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.

The City has complied with changes in the laws which govern the City's Deferred Compensation Plans, requiring all assets of the plans to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans," the City's Deferred Compensation Plans are not reported as City Agency Funds.

Other Postemployment Benefits - Healthcare Benefits**Plan Description**

In addition to providing pension benefits, the City has elected to provide healthcare benefits to retirees of the City who have at least thirty years of service with the North Carolina Local Governmental Employees' Retirement System (System) or the North Carolina Law Enforcement Officers' Local Governmental

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Employees' Retirement System (LE System); and/or employees who are credited with at least twenty years of service with the System or the LE System. A retiree life insurance benefit of \$7,000 for pre-65 retirees and \$3,500 for post-65 retirees is provided to those retirees who were hired prior to 1975. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active City employees. The City pays 95% of the retiree premium costs and the retiree will be responsible for 5% of the premium costs. Retirees can purchase coverage for their dependents at the City's group rates. Currently, 144 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2009, the City made payments for post-retirement health benefit premiums of \$597,057. The City purchases insurance from a private carrier for health care coverage. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the Plan consisted of the following at December 31, 2008 the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	145	-
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	556	173
Total	701	173

Funding Policy. For members that retire with at least 20 years of service, the City pays 95% of the cost of coverage for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by the City Board. The City's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The City is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

The current ARC rate is 10.52% of annual covered payroll. For the current year, the City contributed \$597,057 of annual covered payroll. The City purchases insurance from a private carrier for health care coverage. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 10.52% and 10.52% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$145,878. The City's obligation to contribute to the Plan is established and may be amended by the City 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. Under a City resolution, the contributions are recognized when due and the City will provide the contributions to the HCB Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 HCB Plan are financed through investment earnings.

Annual OPEB Cost and Net 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 thirty 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 postemployment healthcare benefits:

	Governmental Activities	Business -Type Activities	Total
Annual required contribution	\$ 2,940,336	\$ 772,315	\$ 3,712,651
Interest on net OPEB obligation	-	-	-
Adjustments to annual required contribution	-	-	-
Annual OPEB cost (expense)	2,940,336	772,315	3,712,651
Contributions made	(507,498)	(89,559)	(597,057)
Increase (decrease) in net OPEB obligation	2,432,838	682,756	3,115,594
Net OPEB obligation, beginning of year	3,226,542	214,005	3,440,547
Net OPEB obligation, end of year	\$ 5,659,380	\$ 896,761	\$ 6,556,141

Note: Business-type activities only represent nonmajor enterprises funds.

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

Year Ended June 30	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 4,281,579	19.6%	\$ 3,440,547
2009	3,712,651	16.08%	6,556,141

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Fund Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$43,474,907. The covered payroll (annual payroll of active employees covered by the plan) was \$35,295,193, and the ratio of the UAAL to the covered payroll was 122.5 percent.

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, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.00 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 10.5 to 5 percent annually. Both rates included a 3.75 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 open basis. The remaining amortization period at December 31, 2008, was 30 years.

Other Postemployment Benefits - Healthcare Benefits (Commission)

Plan Description

The 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 5 years of service. Also, an employee is eligible for disability retirement when he/she has completed 5 years of service. Upon service, early or disability retirement as approved by the North Carolina Local Government Employees' Retirement System and upon meeting the criteria established by the Commission, employees with a minimum of 5 continuous years of service with the Commission are eligible to continue insurance coverage. Health care and prescription drugs are provided in the Commission's retiree health care plan. A retiree life insurance benefit

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The Commission obtains health care and life insurance coverage through a private insurer.

Membership of the post retirement benefit plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	107
Active Members	<u>425</u>
	<u>532</u>

Funding Policy

For members that retire with at least 20 years of service the Commission pays 95% of the blended rate for pre-65 health care coverage for the retiree, and those who elect to have dependent health care pay for this at the Commission's group rate. Participating retired employees with a minimum of 20 years of service shall have their coverage transferred to a Medicare Supplemental plan after qualifying for Medicare, with the Commission continuing to pay the same dollars toward the premium cost as it pays for retirees under the base plan. The Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit.

The current annual required contribution rate (ARC) is 11.24% of annual covered payroll. For fiscal year 2009 the Commission contributed \$436,774, or 2.0% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2009 were \$139,240 and included dependent coverage and a portion of employee coverage. The Commission's obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies

Benefit expenditures are made from the proprietary funds, which are reported on the full accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation

The 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 thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation for the post retirement benefits:

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Annual required contribution	\$ 2,512,284
Interest on net OPEB obligation	112,739
Adjustment to annual required contribution	(97,264)
Annual OPEB cost (expense)	2,527,759
Contributions made	(436,774)
Increase (decrease) in net OPEB obligation	2,090,985
Net OPEB obligation, beginning of year	2,818,472
Net OPEB obligation, end of year	\$ 4,909,457

The 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, 2008 and 2009 were as follows:

For Year Ended June 30	2 Year Trend Information		
	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 3,229,052	12.715%	\$ 2,818,472
2009	2,527,759	17.279%	4,909,457

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$31,995,113. The covered payroll (annual payroll of active employees covered by the plan) was \$22,345,440, and the ratio of the UAAL to the covered payroll was 143.2%. 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 multiyear 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, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.75% and (b) a 10.50% - 5.00% medical cost trend rate with 2016 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 an open basis. The remaining amortization period at December 31, 2008 was 30 years.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Other Employment Benefit

Death Benefits

The City has also elected to provide death benefits to employees through the Death Trust Plan for Members of the Local Governmental Employees' Retirement System ("Death Trust 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 months 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 Trust Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State.

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the City, the City does not determine the number of eligible participants. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07 % and 0.14 % of covered payroll, respectively. The contributions to the Death Trust Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Deferred/Unearned Revenues

The balance in deferred/unearned revenues at year-end is composed of the following:

	Deferred Revenue		Unearned Revenue
	General Fund	Other Nonmajor Governmental Funds	Governmental Activities
Ad valorem taxes receivable	\$ 810,953	\$ -	\$ 49,022
Prepaid business licenses	434,044	-	-
Community development receivables	-	248,357	-
Capital project misc. receivables	-	113,405	-
Rescue fees	936,253	-	-
Refuse fees	385,022	-	-
Lot cutting/cleaning fees	512,883	-	-
Miscellaneous	18,762	-	-
Total	\$ 3,097,917	\$ 361,762	\$ 49,022

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Long-Term Obligations

Changes in Long-Term Debt

The following is a summary of changes in the long-term obligations of the City:

	Balance				Balance		Current
	July 1, 2008	Additions	Retirements	Transfers	June 30, 2009	Portion	
Governmental Activities:							
General obligation bonds	\$ 12,150,248	\$ -	\$ (834,753)	\$ -	\$ 11,315,495	\$ 830,000	
Certificates of participation	20,715,000	-	(8,520,000)	-	12,195,000	815,000	
Special obligation revenue bonds	5,080,000	-	(295,000)	-	4,785,000	310,000	
Installment purchase contracts	1,003,850	12,013,516	(694,521)	(140,393)	12,182,452	1,175,190	
LEO separation allowance	1,342,237	357,105	(284,113)	-	1,415,229	-	
OPEB accrued liability	3,226,542	2,940,336	(507,498)	-	5,659,380	-	
Compensated absences	2,732,698	2,322,793	(2,074,970)	(184,889)	2,795,632	1,956,943	
Total	\$ 46,250,575	\$ 17,633,750	\$ (13,210,855)	\$ (325,282)	\$ 50,348,188	\$ 5,087,133	
Business-Type Activities:							
Managed by the City:							
General obligation bonds	\$ 5,009,752	\$ -	\$ (90,248)	\$ -	\$ 4,919,504	\$ 90,000	
Installment purchase contracts	804,879	-	(201,606)	140,393	743,666	391,022	
OPEB accrued liability	214,005	772,315	(89,559)	-	896,761	-	
Compensated absences	93,531	79,501	(85,898)	184,889	272,023	190,417	
Total	6,122,167	851,816	(467,311)	325,282	6,831,954	671,439	
Managed by the Commission:							
Revenue bonds	\$ 99,842,087	\$ -	\$ (4,959,534)	\$ -	\$ 94,882,553	\$ 5,810,432	
General obligation bonds	3,450,000	-	(1,095,000)	-	2,355,000	1,075,000	
Other types of debt	19,004,601	2,381,886	(1,415,050)	-	19,971,437	1,710,381	
Discounts and premiums	(123,237)	-	77,733	-	(45,504)	-	
OPEB	2,818,472	2,527,759	(436,774)	-	4,909,457	-	
Compensated absences	1,682,788	1,397,028	(1,342,084)	-	1,737,732	1,402,478	
Total	126,674,711	6,306,673	(9,170,709)	-	123,810,675	9,998,291	
Total Business-Type Activities	\$ 132,796,878	\$ 7,158,489	\$ (9,638,020)	\$ 325,282	\$ 130,642,629	\$ 10,669,730	

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.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

General Fund Obligation Bonds	Governmental Funds	Enterprise Funds
Serviced by the City:		
1998 Public Improvement, Series 1998, due in semi-annual installments of \$100,000 to \$300,000 through 2017, plus interest from 4.3 to 4.5%	\$ 1,925,000	\$ -
2001 Public Building, Series 2001, due in annual installments of \$35,000 to \$125,000 through 2011, plus interest at 4.0%	160,000	-
2004 Refunding Public Improvement, Series 1993, due in annual installments of \$175,000 to \$275,000 through 2012, plus interest from 2.0 to 3.5%	1,055,000	-
2003 Public Improvement, Series 2003, due in annual installments of \$65,000 to 70,000, plus interest through 2021 from 3.0 to 4.5%	830,000	-
2006 Public Improvement, Series 2006, due in annual installments of \$135,000 to \$540,000, plus interest through 2027 from 4.125 to 5.0%	7,345,495	4,919,504
Serviced by the Commission:		
2003 GO Refunding Bonds due in annual installments of \$230,000 to \$1,075,000 with varying interest rates from 3.0% to 3.4%, final payment will be made on March 1, 2012	-	2,355,000
Total General Fund Obligation Bonds	\$ 11,315,495	\$ 7,274,504

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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
2010	\$ 830,000	\$ 478,801	\$ 1,308,801	\$ 1,165,000	\$ 288,588	\$ 1,453,588
2011	730,000	477,922	1,207,922	1,216,457	252,615	1,469,072
2012	804,000	420,309	1,224,309	396,457	214,880	611,337
2013	799,000	389,177	1,188,177	196,539	200,402	396,941
2014	664,000	355,387	1,019,387	196,539	192,079	388,618
2015-2019	3,088,000	1,322,330	4,410,330	1,486,324	800,362	2,286,686
2020-2024	2,794,000	689,704	3,483,704	1,813,660	456,081	2,269,741
2025-2028	1,606,495	146,158	80,178	803,528	92,052	895,580
Totals	\$ 11,315,495	\$ 4,279,788	\$ 13,922,808	\$ 7,274,504	\$ 2,497,059	\$ 9,382,945

Certificates of Participation

A summary of the City's certificates of participation is as follows:

Original Issue			Payment Information		Outstanding
Amount	Date	Rate	Period	Amount	Balance
\$ 15,985,000	October 2004	3.0% - 5.25%	Annual	\$810,000- 815,000	\$ 12,195,000
Total certificates of participation					\$ 12,195,000

Annual debt service requirements to maturity for the City's Certificates of Participation are as follows:

Year Ended June 30	Principal	Interest	Total
2010	\$ 815,000	\$ 517,321	\$ 1,332,321
2011	815,000	492,871	1,307,871
2012	815,000	466,384	1,281,384
2013	815,000	437,859	1,252,859
2014	815,000	406,046	1,221,046
2015-2019	4,075,000	1,540,445	5,615,445
2020-2024	4,045,000	575,102	4,620,102
Total	\$ 12,195,000	\$ 4,436,028	\$ 16,631,028

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Special Obligation Revenue Bonds

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

2001 Special Obligation Revenue Bonds, series 2001, due in annual installments of \$160,000 to \$510,000 through 2021, plus interest from 4.0 to 5.0%	<u>\$ 4,785,000</u>
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Annual debt service requirements to maturity for the City’s special obligation revenue bonds are as follows:

June 30	Principal	Interest	Total
2010	\$ 310,000	\$ 228,246	\$ 538,246
2011	320,000	215,226	535,226
2012	335,000	201,466	536,466
2013	350,000	186,726	536,726
2014	365,000	170,976	535,976
2015-2019	2,110,000	574,095	2,684,095
2020-2024	<u>995,000</u>	<u>75,250</u>	<u>1,070,250</u>
Total	<u>\$ 4,785,000</u>	<u>\$ 1,651,985</u>	<u>\$ 6,436,985</u>

The City has pledged net occupancy tax revenues and other replacement revenues to repay revenue bonds, of which \$4,785,000 is currently outstanding. Proceeds from the bonds provided financing 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 2023. 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 \$6,436,985. Principal and interest paid for the current year, debt service revenues from occupancy tax, and total Occupancy Tax were \$535,415, \$795,298 and \$1,364,073, respectively.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Installment Purchase Contracts

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

Original Issue		Payment Information		Outstanding	
Date	Rate	Period	Amount	Balance	Security
Governmental Funds:					
September 2005	3.89%	Semi-annual	57,916	\$ 168,936	Equipment
June 2009	3.79%	Semi-annual	1,446,646	12,013,516	
Total				<u>\$ 12,182,452</u>	
Enterprise Funds:					
November 2003	3.02%	Semi-annual	72,053	\$ 576,421	Equipment
September 2005	3.79%	Semi-annual	57,916	167,245	Equipment
Total				<u>\$ 743,666</u>	

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

Year Ended	Governmental Funds			Enterprise Funds			
	June 30	Principal	Interest	Total	Principal	Interest	Total
2010	\$	1,175,190	\$ 451,098	\$ 1,626,288	\$ 391,022	\$ 16,320	\$ 1,201,306
2011		1,148,666	415,617	1,564,283	208,539	11,968	1,032,968
2012		91,251	376,547	467,798	144,105	7,616	888,863
2013		986,371	338,979	1,325,350	-	-	744,758
2014		995,982	301,595	1,297,577	-	-	600,653
2015-2019		4,725,513	952,392	5,677,905	-	-	600,653
2020-2024		2,902,511	215,631	2,373,308	-	-	600,653
2025-2028		156,968	2,975	159,943	-	-	600,653
Total	\$	<u>12,182,452</u>	<u>\$ 3,054,834</u>	<u>\$ 14,492,452</u>	<u>\$ 743,666</u>	<u>\$ 35,904</u>	<u>\$ 6,270,507</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Revenue Bonds

A summary of the revenue bonds serviced by the Commission is as follows:

1998 Revenue Bonds due in annual installments with an interest rate of 4.3%, final payment will be on September 1, 2009	\$ 790,000
2000A Revenue Bonds due in annual installments with an interest rate of 5%, final payment will be on September 1, 2009	805,000
2001 Revenue Bonds due in annual installments of \$1,055,000 to \$2,020,010 with varying interest rates from 4.375% to 5.5%, final payment will be made on September 1, 2021	19,370,000
2003A Revenue Bonds due in semi-annual installments of \$326,894 to \$336,692 with an interest rate of 2.95%, final payment will be made on November 14, 2010	995,503
2003B Revenue Bonds due in semi-annual installments of \$262,424 to \$301,824 with an interest rate of 3.67%, final payment will be made on May 1, 2018	5,554,112
2005 Revenue Bonds due in annual installments of \$315,000 to \$545,000 with an interest rate of 3.43%, final payment will be made on September 1, 2025	7,115,000
2007 Revenue Bonds due in annual installments of \$425,322 to \$585,217 with an interest rate of 3.79%, final payment will be made on May 11, 2027	9,022,938
2008A Revenue Bonds due in annual installments of \$570,001 to \$3,368,450 with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	47,100,000
2008B Taxable Revenue Bonds due in annual installments of \$320,000 to \$525,000 with varying interest rates from 5.3% to 5.78%, final payment will be made on November 1, 2018	4,130,000
	<u>\$ 94,882,553</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

Year Ending June 30	Principal	Interest	Total
2010	\$ 5,810,432	\$ 4,133,665	\$ 9,944,097
2011	5,686,050	3,891,443	9,577,493
2012	5,567,555	3,657,847	9,225,402
2013	5,797,491	3,419,576	9,217,067
2014	6,032,963	3,172,513	9,205,476
2015-2019	31,489,991	11,547,403	43,037,394
2020-2024	16,704,868	5,686,284	22,391,152
2025-2029	9,393,203	3,058,728	12,451,931
2030-2034	8,400,000	1,092,000	9,492,000
Total	\$ 94,882,553	\$ 39,659,459	\$ 134,542,012

The Commission has pledged future electric, water, sewer, and gas customer revenues and other unrestricted revenues, net of specified operating expenses, to repay revenue bonds, of which \$94,882,555 is currently outstanding. Proceeds from the bonds provided financing for various extension, expansion and improvement projects within the utilities funds. The bonds are payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the bonds service by the electric fund are expected to require less than 26 percent of net electric revenues, or less than 3 percent of total electric revenues. Annual principal and interest payments on the debt serviced by the water fund are expected to require less than 74 percent of net water revenues, or less than 21 percent of total water revenues. Annual principal and interest payments on the debt serviced by the sewer fund are expected to require less than 57 percent of net sewer revenues, or less than 20 percent of total sewer revenues. Annual principal and interest payments on the debt serviced by the gas fund are expected to require less than 17 percent of net gas revenues, or less than 4 percent of total gas revenues.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Other Types of Debt

A summary of the other types of debt serviced by the Commission is as follows:

<i>2.305% State Revolving Fund Loan, \$4,014,597 authorized and \$3,789,863 drawn to date, annual installments of \$200,730, issued in 2004 with a final payment on May 1, 2029</i>	3,789,863
<i>2.57% State Revolving Fund Loan, \$11,694,486 authorized and \$11,629,783 drawn to date, annual installments of \$775,319, issued in 2001 with a final payment on May 1, 2020</i>	8,528,508
<i>Bethel Inter-local Agreement with an effective interest rate of 5.53%, annual installments of \$151,382 with a final principal payment on May 1, 2023</i>	2,119,343
<i>2.47% State Revolving Fund Loan, \$13,356,080 authorized and \$1,969,486 drawn to date, annual installments of \$667,804, issued in 2008 with a final payment on May 1, 2030</i>	1,969,486
<i>North Carolina Global TransPark Loan payable in quarterly installments of \$14,711 to \$15,101 with an interest rate of 3.5%, issued May 26, 2000 with a final payment due June 1, 2010</i>	<u>59,622</u>
<i>Total other debt serviced by the Commission</i>	<u>\$ 19,971,437</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Annual debt service requirements to maturity for the Commission's other types of debt are as follows:

Year Ending June 30	Principal	Interest	Total
2010	\$ 1,710,381	\$ 336,714	\$ 2,047,095
2011	1,752,078	369,634	2,121,712
2012	1,754,999	335,880	2,090,879
2013	1,645,437	309,820	1,955,257
2014	1,645,437	283,760	1,929,197
2015-2019	7,104,106	1,027,900	8,132,006
2020-2024	2,820,680	452,108	3,272,788
2025-2029	1,439,839	48,844	1,488,683
2030	98,480	2,442	100,922
Total	\$ 19,971,437	\$ 3,167,102	\$ 23,138,539

Take or Pay Contract – The 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 Commission, which has ownership interests in two coal-fired and three nuclear-fueled generation plants. The Commission, through its agreement with NCEMPA, 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. The Commission is obligated to pay its share of the indebtedness regardless of the ability of NCEMPA to provide electricity or to meet the Commission's need for the electricity. This contract constitutes an obligation of the Electric Enterprise Fund to make debt service payments from operating revenues. The Electric Enterprise Fund's share of debt is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses. The Commission's share of NCEMPA's debt at June 30, 2009 was \$409 million. As of the date of this report, NCEMPA is satisfying its obligations from its own operations and accordingly, no provision for contingent liability is reported in the Commission's financial statements.

Rate Covenants:

The Commission's debt issuances are authorized and secured by the Bond Order adopted on August 11, 1994, and amended and restated as of April 13, 2000. Section 501 of the Bond Order contains covenants as to rates, fees and charges and requires the debt service coverage ratio to be no less than 125% for parity indebtedness (revenue bonds) and no less than 100% for subordinate and other indebtedness. The Commission has been in compliance with the covenants contained in Section 501 of the Bond Order since its adoption. The debt service coverage ratio calculation for the fiscal year ended June 30, 2009 is as follows:

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Operating revenues	\$ 258,513,038
Operating Expenses ¹	(231,097,910)
Operating income	27,415,128
Non-operating revenues (expenses)	
Interest income ²	1,009,604
Miscellaneous revenue ²	982,075
Bond service charges	(35,752)
Income available for debt service	\$ 29,371,055
Parity debt service (principal and interest paid) ³	\$ 7,861,679
Parity debt service coverage ratio	374%
Subordinate and other debt service (principal and interest paid)	\$ 3,079,371
Subordinate and other debt service coverage ratio	698%

¹Excludes depreciation expense of \$15,324,347 in accordance with rate covenants.

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

³Excludes \$1,101,776 of capitalized interest paid from proceeds of the bonds in accordance with rate covenants.

The City of Greenville issues any debt required by the Commission. The legal debt margin is disclosed in the City's Comprehensive Annual Financial Report. Unearned revenue in the Water Fund totaling \$369,750 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 Commission at the time the service is installed.

Accounts Payable Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities
Trade payables	\$ 1,268,299	\$ 17,994,412
Accrued salaries and fringes	1,461,869	942,130
Other accrued expenses	938,693	6,337
Total	\$ 3,668,861	\$ 18,942,879

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Interfund Balances and Activity

The composition of internal balances as of June 30, 2009 is as follows:

Fund	Due From	Due To
General Fund	\$ 1,679,055	\$ 134,661
<u>Nonmajor Special Revenue Funds:</u>		
Community Development Fund	-	373,051
Capital Reserve Fund	-	130,726
Small Business Loan Program	-	5,732
<u>Nonmajor Capital Project Funds:</u>		
Cemetery Development Funds	-	327,694
Lead Based ARRA Fund	-	16,469
South River Tar Greenway	-	18,888
Affordable Housing Project	1,580	-
<u>Nonmajor Enterprise Funds:</u>		
Sanitation Fund	477,311	58,148
Public Transportation Fund	9,980	-
Bradford Creek Golf Course Fund	-	518,350
Storm Water Fund	245,805	34,318
<u>Internal Service Fund:</u>		
Dental Reimbursement Fund	-	53,548
Greenville Utilities Commission	133,081	875,227
	<u>\$ 2,546,812</u>	<u>\$ 2,546,812</u>

Amounts due to/from the various funds of the government were primarily for operating purposes.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Transfers

Interfund transfers are summarized as follows:

<u>Fund Name</u>	<u>Transfer Out</u>	<u>Transfer In</u>	<u>Purpose</u>
General Fund	\$ 15,949,508	\$ 13,394,637	
Debt Service Fund	-	11,619,408	Annual debt service
<u>Special Revenue Funds:</u>			
Capital Reserve	2,083,864	911,142	Annual capital reserve transfer
Sheppard Library	-	1,080,417	Local contribution
Community Development	-	194,071	Annual Transfer
<u>Nonmajor Enterprise Funds:</u>			
Public Transportaion Fund	-	468,990	Local contribution
Bradford Creek Golf Course Fund	-	8,000	Annual Transfer
Aquatics and Fitness Center	6,054,334	-	Close fund
<u>Internal Service Fund</u>			
Vehicle Replacement Fund	-	32,234	Carryover funds
<u>Capital Projects Funds</u>			
Sidewalk Construction	81,229	-	Close project
Computerized Traffic Signal CP	48,280	-	Close project
Fire/Rescue Station #6	513,421	-	Close project
Dickinson Avenue Relocation	289,544	-	Close project
Convention Center Expansion	-	1,649,271	Establish project
Statonsburg Rd/10th Street Connector	-	943,000	Transfer Prior Yr funds received
Intermodal Transportation	-	5,482	General Fund match
Thomas Langston Road Ext.	-	110,887	Establish project
West 3rd Street CP	110,992	-	Close project
<u>Greenville Utility Commission:</u>			
Electric	3,580,938	-	General transfer
Electric	1,077,886	-	Street lighting reimbursement
Gas	627,543	-	
Total Transfer	<u>\$ 30,417,539</u>	<u>\$ 30,417,539</u>	

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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. During the last four fiscal years, there has been only one claim that has exceeded the City's self-funded retention amount. Property and liability coverage are provided through third party insurance. The City's retention is on a per claim basis as follows:

Workers' compensation	\$	600,000
Public officials' liability		25,000
Excess liability		250,000

Coverages	Liability Coverage Limits
Blanket property and personal property	\$ 67,426,014
Excess 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 \$875,000 on the clubhouse and \$100,000 on the contents. Premiums at each location are \$1,879.

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, property coverage up to \$218 million for real and personal property, workers' compensation coverage up to the statutory limits, and umbrella liability of \$10 million.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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 \$236,796.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2009	2008
Unpaid claims, beginning	\$ 76,778	\$ 49,830
Incurred claims	373,631	261,674
Claim payments	<u>(213,613)</u>	<u>(234,726)</u>
Unpaid claims, ending	<u>\$ 236,796</u>	<u>\$ 76,778</u>

All reserves and estimated claims reported but not paid are accrued and reported within the General Fund and the Internal Service Fund.

Fidelity Bonding of Finance Officer and Tax Collector

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.

Jointly Governed Organizations

Pitt-Greenville Convention and Visitors Authority

The City Council appoints five members of the eleven-member board of the Pitt-Greenville Convention and Visitors Authority (the "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.

CITY OF GREENVILLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 Agencies debt at June 30, 2009 was \$409 million.

6. 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. This debt will be repaid through the collection of hotel and motel occupancy tax. The Convention Center opened in May 2003 and is operated by an independent management firm.

Pitt-Greenville Airport Authority

The City is a participant with Pitt County (the "County") in a joint venture to operate Pitt-Greenville Airport Authority (the "Authority") for the joint benefit of all co-sponsors. 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 co-sponsors are obligated to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The City contributed \$97,020 to the Authority during the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2009. 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**7. 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.

8. Claims and Judgments

The City, including the Commission, is a defendant in various litigation incidental to carrying out its functions. In the opinion of the City's chief legal counsel, these claims should not result in judgments which, in the aggregate, would have a material adverse effect on the City's financial statements. In the event of an unfavorable outcome, the City could be liable up to its general liability insurance deductible.

9. Commitments and Contingencies

The City of Greenville has entered into an agreement to construct an industrial park pump station and force mains with the Town of Bethel and Pitt County. Financing for the project has been provided by the Town of Bethel through a loan from the North Carolina State Revolving Loan Fund, which is reported in the long-term debt footnotes.

On November 1, 2005, the Commission entered into an agreement with Piedmont Natural Gas (PNG) that allows the Commission to purchase all its natural gas requirements on the open market. The terms of the contract require PNG to transport natural gas through its pipeline to the Commission in exchange for annual payments of \$2,150,328 as guaranteed margins and \$837,000 as capacity charges. The Commission may be allowed to exceed its Maximum Daily Quantity (MDQ) to accommodate interruptible demand as capacity is available, and the Commission has the option to purchase firm peaking services during times when demand for natural gas is high.

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.

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REQUIRED SUPPLEMENTAL STATEMENTS

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Schedule A-1

CITY OF GREENVILLE, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued 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
12/31/2008	\$ -	\$ 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%
12/31/2006	-	3,156,234	3,156,234	0.00%	8,384,470	37.64%
12/31/2005	-	2,757,923	2,757,923	0.00%	7,621,333	36.19%
12/31/2004	-	2,874,490	2,874,490	0.00%	7,292,653	39.42%
12/31/2003	-	2,683,598	2,683,598	0.00%	6,291,158	42.66%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2009	\$ 357,105	\$ 299,364	83.83%
2008	320,219	271,451	84.77%
2007	284,639	262,311	92.16%
2006	306,091	222,005	72.53%
2005	273,669	207,673	75.88%
2004	273,784	117,577	42.95%

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	12/31/2008	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	22 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	4.5 - 12.3%	
Cost of living adjustments	N/A	

CITY OF GREENVILLE, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 43,474,907	\$ 43,474,907	0%	\$ 35,295,193	122.5%
12/31/2007	-	48,322,035	48,322,035	0%	32,836,798	147.2%
12/31/2005	-	47,415,875	47,415,875	0%	29,022,160	163.4%

Schedule of Employer Contributions

Year Ending June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 3,712,651	16.08%
2008	4,281,579	19.64%

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	12/31/2008	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	5%	* Includes inflation at 3.75%
Medical cost trend rate	5% - 10.50%	
Year of Ultimate trend rate	2016	

GREENVILLE UTILITIES COMMISSION

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 31,995,113	\$ 31,995,113	0%	\$ 22,345,440	143.2%
12/31/2005	-	35,860,373	35,860,373	0%	19,489,354	184.0%

Schedule of Employer Contributions

Year Ending June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 2,512,284	17.386%
2008	3,229,052	12.715%

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	12/31/2008	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.75%
Medical cost trend rate	10.50%-5%	
Year of ultimate trend rate	2016	

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2009**

Fiscal Year	Balance June 30, 2008	Additions	Collections and Credits	Balance June 30, 2009
2009-2008	\$ -	\$ 30,211,997	\$ 29,330,914	\$ 881,083
2008-2007	784,169	-	603,717	180,452
2007-2006	211,038	-	75,195	135,843
2006-2005	117,142	-	25,250	91,892
2005-2004	95,651	-	13,195	82,456
2004-2003	98,326	-	7,308	91,018
2003-2002	95,066	-	7,112	87,954
2002-2001	78,256	-	4,579	73,677
2001-2000	75,475	-	3,203	72,272
2000-1999	78,555	-	6,065	72,490
1999-1998	66,532	-	66,532	-
	<u>\$ 1,700,210</u>	<u>\$ 30,211,997</u>	<u>\$ 30,143,070</u>	<u>1,769,137</u>
Less: Allowance for uncollectible accounts - General Fund				(688,087)
Ad Valorem Taxes Receivable Net - General Fund				<u>\$ 1,081,050</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				\$ 29,715,154
Reconciling Items:				
Amount written off per statute				66,532
Interest Collected				(180,040)
Tax Refunds				213,634
Discounts				324,264
Miscellaneous				3,526
Total Collections and Credits				<u>\$ 30,143,070</u>

Schedule A-5

CITY OF GREENVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
CITY - WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2009

	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	\$ 5,298,646,079	0.52	\$ 27,552,960	\$ 26,680,549	\$ 872,411
Penalties	-		8,740	8,740	-
Total	5,298,646,079		27,561,700	26,689,289	872,411
Discoveries:					
Current year taxes	603,590,469	0.52	3,138,670	804,491	2,334,179
Penalties	-		4,671	4,671	-
Total	603,590,469		3,143,341	809,162	2,334,179
Abatements	(94,816,060)		(493,044)	(493,044)	-
Total property valuation	\$ 5,807,420,488				
Net Levy			30,211,997	27,005,407	3,206,590
Uncollected taxes as of June 30, 2009			(881,083)	(360,268)	(520,815)
Current year's taxes collected			\$ 29,330,914	\$ 26,645,139	\$ 2,685,775
Current levy collection percentage			97.08%	98.67%	83.76%
Prior year collection percentage			97.06%	99.03%	83.29%

Note: The Motor Vehicle abatements are not separable in the tax system utilized in fiscal year ending June 30, 2009. Tax Value of Abatements not equal to current year tax rate because of prior years at varying tax rates.

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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.

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CITY OF GREENVILLE, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		2008	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Ad Valorem Taxes:				
Current year operations		\$ 29,588,132		\$ 25,864,366
Prior year		484,880		525,670
Interest and penalties		180,040		170,450
Tax discounts		(324,264)		(264,169)
Tax refunds		(213,634)		(581)
Total Ad Valorem Taxes	\$ 29,002,812	29,715,154	\$ 712,342	26,295,736
Other Taxes:				
Local options sales tax		5,585,188		5,818,532
Cable TV franchise tax		897,878		611,234
One-half percent sales tax		7,172,200		8,503,341
Medicaid Hold Harmless payment		795,188		-
Rental vehicle - gross receipts		97,136		103,268
Total Other Taxes	15,261,045	14,547,590	(713,455)	15,036,375
Unrestricted Intergovernmental:				
Other unrestricted revenues		7,814		5,584
Utilities franchise tax		5,206,917		4,579,617
Beer and wine tax		345,500		332,734
Total Unrestricted Intergovernmental	5,116,988	5,560,231	443,243	4,917,935
Restricted Intergovernmental:				
NC DOT traffic control lights		132,619		179,068
Pitt County Fire contribution		10,000		10,000
Housing Authority Drug Grant		106,258		110,623
Special Federal, State and Local Grants		71,773		49,534
Section 104F Planning Grant		97,177		179,071
Law enforcement block grant		382,851		338,157
Other restricted intergovernmental revenue		235,400		238,305
Powell Bill - State allocation payment		2,136,846		2,256,409
Total Restricted Intergovernmental	4,275,892	3,172,924	(1,102,968)	3,361,167
Licenses, Permits and Fees:				
Privilege licenses		582,672		556,782
Inspection fees		712,986		1,467,288
State fire protection		356,706		356,706
Planning department fees		120,471		242,884
Police department fees		263,691		227,214
Fire and rescue department fees		171,774		150,209
Refuse fees		81,315		4,633,961
Other permits and fees		108,670		106,897
Total Licenses, Permits and Fees	3,131,840	2,398,285	(733,555)	7,741,941

CITY OF GREENVILLE, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		2008	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sales and Services:				
Rescue fees		2,877,205		2,529,460
Recreation department programs and fees		1,140,548		629,573
Utilities street cuts		263,946		209,881
Rents and concessions		151,419		140,459
Other sales and services		704,151		1,099,144
Pitt County Board of Education		308,640		210,338
Total Sales and Services	4,827,178	5,445,909	618,731	4,818,855
Investment earnings	1,631,956	2,258,732	626,776	2,073,793
Other Revenues:				
Parking violation penalty		243,241		235,029
Other revenues		(256,439)		207,469
Total Other Revenues	462,308	(13,198)	(475,506)	442,498
Total Revenues	63,710,019	63,085,627	(624,392)	64,688,300
Expenditures:				
General Government:				
Mayor and City Council	411,870	387,465	24,405	339,152
City Manager	1,066,084	1,000,290	65,794	936,978
City Clerk	275,246	259,859	15,387	232,230
City Attorney	429,273	419,617	9,656	392,309
Human Resources	2,066,139	1,998,726	67,413	1,774,205
Financial Services	2,201,049	2,131,192	69,857	1,850,448
Information Technology	3,422,925	2,761,921	661,004	3,322,284
Airport	-	32,356	(32,356)	(4,409)
Total General Government	9,872,586	8,991,426	881,160	8,843,197
Public Safety:				
Fire and Rescue	12,413,870	12,256,953	156,917	10,976,633
Police	21,578,228	20,489,783	1,088,445	18,576,017
Total Public Safety	33,992,098	32,746,736	1,245,362	29,552,650
Public Works				
Other Public Works	8,957,823	7,958,652	999,171	7,799,989
Streets	1,182,690	915,670	267,020	1,092,831
Total Public Works	10,140,513	8,874,322	1,266,191	8,892,820
Environmental Protection:				
Sanitation	-	-	-	4,161,636

CITY OF GREENVILLE, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Economic and Physical Development:				
Community Development	2,078,898	1,745,452	333,446	1,846,465
Cultural and Recreational:				
Recreation	6,124,483	5,815,803	308,680	5,039,763
Library	-	-	-	9,984
Total Cultural and Recreational	6,124,483	5,815,803	308,680	5,049,747
Capital outlay	6,224,865	2,529,023	3,695,842	2,708,575
Reimbursement of indirect cost	(528,486)	(528,486)	-	-
Contribution to OPEB trust	250,000	250,000	-	-
Total expenditures	68,154,957	60,424,276	7,730,681	61,055,090
Revenues over (under) expenditures	(4,444,938)	2,661,351	7,106,289	3,633,210
Other Financing Sources (Uses):				
Transfers In:				
Greenville Utilities Commission turnover	4,676,703	4,658,824	(17,879)	4,444,417
Greenville Utilities Commission, lighting reimbursement	591,259	627,543	36,284	570,216
Other funds	1,945,279	2,053,936	108,657	1,089,584
Transfers out	(9,241,612)	(15,949,508)	(6,707,896)	(10,224,151)
Transfer to close Aquatics fund	-	(47,582)	(47,582)	-
Bond Proceeds	-	7,090,976	7,090,976	-
Contingency	(58,397)	-	58,397	-
Appropriated fund balance	6,531,706	-	(6,531,706)	-
Total other financing sources (uses)	4,444,938	(1,565,811)	(6,010,749)	(4,119,934)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,095,540	\$ 1,095,540	(486,724)
Fund balance, Beginning of year - July 1st		26,971,916		27,458,640
Fund balance, End of year - June 30th		\$ 28,067,456		\$ 26,971,916

CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Assets:				
Cash and cash equivalents	\$ 6,507,488	\$ 916,387	\$ 8,697,668	\$ 16,121,543
Accounts receivable, net	72,834	-	65,120	137,954
Interest receivable	12,238	-	-	12,238
Loans receivable	233,876	-	113,405	347,281
Due from other funds	-	-	1,580	1,580
Due from other governments	33,832	-	383,877	417,709
Prepaid items and deposits	70,471	-	-	70,471
Restricted cash and investments	-	-	6,053,943	6,053,943
Total assets	<u>\$ 6,930,739</u>	<u>\$ 916,387</u>	<u>\$ 15,315,593</u>	<u>\$ 23,162,719</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 68,073	\$ -	\$ 672,868	\$ 740,941
Due to other funds	509,509	-	363,051	872,560
Deferred revenue	248,357	-	113,405	361,762
Total liabilities	<u>825,939</u>	<u>-</u>	<u>1,149,324</u>	<u>1,975,263</u>
Fund Balances:				
Reserved by State statute	44,713	-	-	44,713
Reserved for prepaid items and inventories	70,471	-	-	70,471
Fund balance - unreserved, undesignated	5,989,616	916,387	14,166,269	21,072,272
Total fund balances	<u>6,104,800</u>	<u>916,387</u>	<u>14,166,269</u>	<u>21,187,456</u>
Total liabilities and fund balances	<u>\$ 6,930,739</u>	<u>\$ 916,387</u>	<u>\$ 15,315,593</u>	<u>\$ 23,162,719</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Revenues:				
Other taxes	\$ -	\$ 533,571	\$ 273,839	\$ 807,410
Restricted	2,610,809	-	4,247,349	6,858,158
Sales and services	158,136	-	-	158,136
Investment earnings	89,193	33,030	68,274	190,497
Other revenues	20,846	-	416,597	437,443
Total revenues	2,878,984	566,601	5,006,059	8,451,644
Expenditures:				
Current:				
Cultural and recreational	2,140,860	-	-	2,140,860
Economic and physical development	1,743,616	-	-	1,743,616
Capital outlay	-	-	8,925,447	8,925,447
Principal retirement	-	10,636,000	-	10,636,000
Interest and fees	-	1,439,741	-	1,439,741
Total expenditures	3,884,476	12,075,741	8,925,447	24,885,664
Excess (deficiency) of revenues over (under) expenditures	(1,005,492)	(11,509,140)	(3,919,388)	(16,434,020)
Other Financing Sources (Uses):				
Long-term debt issued	-	-	4,922,540	4,922,540
Sale of Property	-	-	175,500	175,500
Transfers in	2,185,630	11,619,408	2,708,640	16,513,678
Transfers out	(2,083,864)	-	(1,043,466)	(3,127,330)
Total other financing sources (uses)	101,766	11,619,408	6,763,214	18,484,388
Net change in fund balances	(903,726)	110,268	2,843,826	2,050,368
Fund Balances:				
Fund balances, beginning of year	7,008,526	806,119	11,322,443	19,137,088
Fund balances, end of year - June 30th	\$ 6,104,800	\$ 916,387	\$ 14,166,269	\$ 21,187,456

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NON MAJOR SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT AND HOME PROGRAM FUND

The Community Development and Home Program Fund is 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.

CAPITAL RESERVE FUND

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

SHEPPARD MEMORIAL LIBRARY

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

HOUSING TRUST FUND

The Housing Trust Fund is 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

The Small Business Loan Program is 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

The League of Municipalities Conference Fund is established to account for donations, from partners and sponsors, and expenditures to fund Conference Activity. October 2009 marks the first occasion that the City of Greenville will host the North Carolina League of Municipalities Conference.

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CITY OF GREENVILLE, NORTH CAROLINA

Schedule C-1

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Community Development Fund	Capital Reserve Fund	Sheppard Memorial Library	Housing Trust Fund	Small Business Loan Program	League of Municipalities Conference	Total
Assets:							
Cash and cash equivalents	\$ 868,185	\$ 4,737,381	\$ 694,843	\$ 50,819	\$ 144,665	\$ 11,595	\$ 6,507,488
Accounts receivable, net	71,994	-	840	-	-	-	72,834
Interest receivable	-	-	12,238	-	-	-	12,238
Loans receivable	147,443	-	-	12,323	74,110	-	233,876
Due from other governments	2,120	-	31,635	77	-	-	33,832
Prepaid items and deposits	990	-	66,965	-	2,516	-	70,471
Total assets	\$ 1,090,732	\$ 4,737,381	\$ 806,521	\$ 63,219	\$ 221,291	\$ 11,595	\$ 6,930,739
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 13,985	\$ -	\$ 50,651	\$ -	\$ -	\$ 3,437	\$ 68,073
Due to other funds	373,051	130,726	-	-	5,732	-	509,509
Deferred revenue	162,276	-	-	11,971	74,110	-	248,357
Total liabilities	549,312	130,726	50,651	11,971	79,842	3,437	825,939
Fund Balances:							
Reserved by State statute	-	-	44,713	-	-	-	44,713
Reserved for prepaid items and inventories	990	-	66,965	-	2,516	-	70,471
Fund balance - unreserved, undesignated	540,430	4,606,655	644,192	51,248	138,933	8,158	5,989,616
Total fund balance	541,420	4,606,655	755,870	51,248	141,449	8,158	6,104,800
Total liabilities and fund balances	\$ 1,090,732	\$ 4,737,381	\$ 806,521	\$ 63,219	\$ 221,291	\$ 11,595	\$ 6,930,739

**CITY OF GREENVILLE, NORTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	Community Development Fund	Capital Reserve Fund	Sheppard Memorial Library	Housing Trust Fund	Small Business Loan Program	League of Municipalities Conference	Total
Revenues:							
Restricted	\$ 1,704,058	\$ -	\$ 905,751	\$ 1,000	\$ -	\$ -	\$ 2,610,809
Sales and services	-	-	139,119	-	19,017	-	158,136
Investment earnings	6,073	57,185	25,271	423	241	-	89,193
Other revenues	-	-	-	846	-	20,000	20,846
Total revenues	1,710,131	57,185	1,070,141	2,269	19,258	20,000	2,878,984
Expenditures:							
Current:							
Cultural and recreational	-	-	2,140,860	-	-	-	2,140,860
Economic and physical development	1,710,592	-	-	2,310	18,872	11,842	1,743,616
Total expenditures	1,710,592	-	2,140,860	2,310	18,872	11,842	3,884,476
Excess (deficiency) of revenues over (under) expenditures	(461)	57,185	(1,070,719)	(41)	386	8,158	(1,005,492)
Other Financing Sources (Uses):							
Transfers from other funds	194,071	911,142	1,080,417	-	-	-	2,185,630
Transfers to other funds	-	(2,083,864)	-	-	-	-	(2,083,864)
Total other financing sources (uses)	194,071	(1,172,722)	1,080,417	-	-	-	101,766
Net change in fund balances	193,610	(1,115,537)	9,698	(41)	386	8,158	(903,726)
Fund Balances:							
Fund balances, beginning of year	347,810	5,722,192	746,172	51,289	141,063	-	7,008,526
Fund balances, end of year	\$ 541,420	\$ 4,606,655	\$ 755,870	\$ 51,248	\$ 141,449	\$ 8,158	\$ 6,104,800

CITY OF GREENVILLE, NORTH CAROLINA

**COMMUNITY DEVELOPMENT & HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
CDBG & Home Entitlement Program:				
Property owners matching fund	\$ 146,083	\$ 218,276	\$ -	\$ 218,276
Federal grant - HUD	22,252,221	17,215,515	1,616,344	18,831,859
Other grants	34,000	-	-	-
Consortium members	-	13,666	-	13,666
Loan payments	450,243	457,944	87,774	545,718
Interest income	134,792	200,968	6,073	207,041
Sale of acquired property	147,930	162,308	(60)	162,248
Total CDBG entitlement program	<u>23,165,269</u>	<u>18,268,677</u>	<u>1,710,131</u>	<u>19,978,808</u>
Expenditures:				
CDBG & Home Entitlement Program:				
Administration	3,508,754	2,851,063	419,617	3,270,680
Rehab - third party owned dwellings	8,471,216	6,798,072	386,533	7,184,605
Rehab - rental	152,716	152,716	-	152,716
Outside agency funding	1,593,801	1,327,872	209,165	1,537,037
Acquisition dilapidated	965,658	532,889	162,907	695,796
Code enforcement	310,815	290,815	-	290,815
Conversion program	253,000	244,302	-	244,302
Small area revitalization	787,830	787,851	-	787,851
Demolition grants	238,910	90,985	39,055	130,040
Secondary mortgage	962,180	537,617	75,110	612,727
Ec. Dev. Study - West Grn./Meadowbrook	169,255	40,993	-	40,993
Neighborhood input grants	2,964	2,963	-	2,963
Concentrated needs	1,772,299	1,827,696	(102)	1,827,594
Sewer Oakgrove	25,482	15,130	-	15,130
Other expenses	58,010	58,010	-	58,010
Relocation	46,920	-	-	-
Contribution to other consortium members	5,238,497	3,542,104	418,307	3,960,411
Capital outlay	12,403	11,834	-	11,834
Total CDBG entitlement program	<u>24,570,710</u>	<u>19,112,912</u>	<u>1,710,592</u>	<u>20,823,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,405,441)</u>	<u>(844,235)</u>	<u>(461)</u>	<u>(844,696)</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfers in	2,072,941	1,859,545	194,071	2,053,616
Transfers out	(667,500)	(667,500)	-	(667,500)
Total other financing sources (uses)	<u>1,405,441</u>	<u>1,192,045</u>	<u>194,071</u>	<u>1,386,116</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 347,810</u>	<u>\$ 193,610</u>	<u>\$ 541,420</u>

CITY OF GREENVILLE, NORTH CAROLINA

**CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ 57,185	\$ 57,185
Other Financing Sources (Uses):			
Transfers from other funds	2,785,056	911,142	(1,873,914)
Transfers to other funds	<u>(2,785,056)</u>	<u>(2,083,864)</u>	<u>701,192</u>
Total other financing sources (uses)	-	<u>(1,172,722)</u>	<u>(1,172,722)</u>
Total revenues and other financing sources (uses)	<u>\$ -</u>	<u>(1,115,537)</u>	<u>\$ (1,115,537)</u>
Fund Balances:			
Fund balances, beginning of year		<u>5,722,192</u>	
Fund balances, end of year		<u>\$ 4,606,655</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**SHEPPARD MEMORIAL LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted Intergovernmental:			
County of Pitt	\$ 540,208	\$ 534,806	\$ (5,402)
Town of Bethel	25,528	25,528	-
Town of Winterville	124,809	124,809	-
State aid	202,448	194,272	(8,176)
Housing Authority	10,692	10,494	(198)
Other miscellaneous grants	<u>42,702</u>	<u>41,113</u>	<u>(1,589)</u>
Total restricted intergovernmental revenue	<u>946,387</u>	<u>931,022</u>	<u>(15,365)</u>
Other Revenues:			
Fines and fees	118,774	113,848	(4,926)
Interest earnings	<u>16,000</u>	<u>25,271</u>	<u>9,271</u>
Total other revenues	<u>134,774</u>	<u>139,119</u>	<u>4,345</u>
Total revenues	<u>1,081,161</u>	<u>1,070,141</u>	<u>(11,020)</u>
Expenditures:			
Cultural and Recreational:			
Salaries and benefits	1,462,508	1,405,571	56,937
Capital outlay	259,107	243,135	15,972
Maintenance and repairs	162,626	159,394	3,232
Other operating expenditures	<u>395,182</u>	<u>332,760</u>	<u>62,422</u>
Total expenditures	<u>2,279,423</u>	<u>2,140,860</u>	<u>138,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,198,262)</u>	<u>(1,070,719)</u>	<u>127,543</u>
Other Financing Sources (Uses):			
Transfers from other funds	1,080,416	1,080,417	1
Appropriated fund balance	<u>117,846</u>	<u>-</u>	<u>(117,846)</u>
Total other financing sources (uses)	<u>1,198,262</u>	<u>1,080,417</u>	<u>(117,845)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>9,698</u>	<u>\$ 9,698</u>
Fund Balance, beginning of year		<u>746,172</u>	
Fund Balance, end of year		<u>\$ 755,870</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**HOUSING TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Restricted Intergovernmental:				
Grants	\$ 170,500	\$ 172,476	\$ 1,000	\$ 173,476
Other Revenues:				
Investment earnings	4,265	11,986	423	12,409
Loan payments	7,210	23,506	846	24,352
Total other revenues	<u>11,475</u>	<u>35,492</u>	<u>1,269</u>	<u>36,761</u>
Total revenues	<u>181,975</u>	<u>207,968</u>	<u>2,269</u>	<u>210,237</u>
Expenditures:				
Small area revitalization	19,332	19,978	-	19,978
Rehabilitation	221,113	215,374	-	215,374
Loans made	62,530	42,327	2,310	44,637
Total expenditures	<u>302,975</u>	<u>277,679</u>	<u>2,310</u>	<u>279,989</u>
Revenues over (under) expenditures	(121,000)	(69,711)	(41)	(69,752)
Other Financing Sources (Uses):				
Transfers From:				
Community Development Fund	<u>121,000</u>	<u>121,000</u>	-	<u>121,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 51,289</u>	<u>\$ (41)</u>	<u>\$ 51,248</u>

Schedule C-7

CITY OF GREENVILLE, NORTH CAROLINA

**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, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Other Revenues:				
Bank contribution	\$ 475,000	\$ 448,243	\$ -	\$ 448,243
Loan payments	253,552	411,035	19,017	430,052
Application fees	2,000	1,550	-	1,550
Investment earnings	1,706	5,557	241	5,798
Total revenues	<u>732,258</u>	<u>866,385</u>	<u>19,258</u>	<u>885,643</u>
Expenditures:				
Administration	2,000	7	-	7
Payments to banks	255,258	414,354	18,872	433,226
Loans made	475,000	448,242	-	448,242
Loan loss reserve	142,500	5,219	-	5,219
Total expenditures	<u>874,758</u>	<u>867,822</u>	<u>18,872</u>	<u>886,694</u>
Revenues over (under) expenditures	<u>(142,500)</u>	<u>(1,437)</u>	<u>386</u>	<u>(1,051)</u>
Other Financing Sources (Uses):				
Transfers From:				
Community Development Fund	<u>142,500</u>	<u>142,500</u>	<u>-</u>	<u>142,500</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 141,063</u>	<u>\$ 386</u>	<u>\$ 141,449</u>

CITY OF GREENVILLE, NORTH CAROLINA

**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, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Other Revenues:				
Other-Donations	\$ 150,000	\$ -	\$ 20,000	\$ 20,000
Total revenues	<u>150,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Expenditures:				
Administration	30,000	-	-	-
Contracted Services	80,000	-	6,000	6,000
Supplies & Materials	<u>40,000</u>	<u>-</u>	<u>5,842</u>	<u>5,842</u>
Total expenditures	<u>150,000</u>	<u>-</u>	<u>11,842</u>	<u>11,842</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,158</u>	<u>\$ 8,158</u>

CAPITAL PROJECTS FUNDS

The purpose of the Capital Projects Funds 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 Projects Funds, but in the respective enterprise funds. During June 30, 2009, the City had the following projects, showing activity, in the Capital Projects Funds:

CEMETERY DEVELOPMENT PROJECT

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

AFFORDABLE HOUSING PROJECT

The Affordable Housing Project is established to account for the funds that will increase opportunities for working families to become homeowners.

COMPUTERIZED TRAFFIC SIGNAL PROJECT

The Computerized Traffic Signal Project is established to account for the funds that will be used in the construction and acquisition of assets for a computerized traffic signal system.

WEST 3RD STREET PROJECT

The West 3rd Street Project is established as part of the 2004 bond referendum for transportation improvements.

2005 COPS VARIOUS CITY PROJECTS

The 2005 COPS Various City Projects consists of renovation and expansion of City administrative facilities, including the Municipal Building and the Greenville Utilities Commission Building, the construction and equipping of a fire/rescue station and training facility, the expansion and renovation of a City library and the development, renovation and expansion of City park facilities.

CITY HALL FACILITY

The City Hall Facility fund is established to account for funds to be used for the renovation of a facility to which the existing City Hall offices and services will be relocated.

45 -BLOCK 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

The Center City Revitalization Project funds potential projects under discussion including 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

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

SOUTH TAR RIVER GREENWAY

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

SIDEWALK CONSTRUCTION PROJECT

The Sidewalk Construction Project provides for the installation of sidewalks along thoroughfares and other high priority locations.

WAYFINDING COMMUNITY DEVELOPMENT PROJECT

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

GAFC RENOVATION FUND

The GAFC Renovation Fund is established to account for the cost of renovation and upgrades to the Greenville Aquatics and Fitness Center. This fund was formerly considered an enterprise fund capital project. Activity has been absorbed within governmental activities in fiscal year 2009.

THOMAS LANGSTON ROAD EXTENSION PROJECT

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

INTERMODAL TRANSPORTATION CENTER PROJECT

The Intermodal Transportation Center Project is 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

The Employee Parking Lot Expansion Project is 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.

DICKINSON AVENUE RELOCATION PROJECT

The Dickinson Avenue Relocation Project is established to account for funds used to close portions for Washington Street, Dickinson Avenue, and Sixth Street in accordance with the agreement between the City and Jarvis United Methodist Church.

CONVENTION CENTER EXPANSION PROJECT

The Convention Center Expansion Project is established to account for funds used to construct 150 additional parking spaces along with other improvements.

COMMUNITY ORIENTED POLICING SERVICE PROJECT

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

NEW TECHNOLOGY FOR PUBLIC SAFETY PROJECT

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

PUBLIC WORKS YARD / BEATTY STREET PROJECT

The Public Works Yard / Beatty Street Project is established to account for funds used to replace a storm drainage pipe located on the Public Works yard.

LEAD BASED PAINT HAZARD GRANT

The Lead Based Paint Hazard Grant is used to remove lead paint from dwellings purchased by CDBG for resale.

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CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Cemetery Development Fund	Affordable Housing Project	City Hall Facility	45 Block Revitalization	Center City Revitalization	Stantonsburg Road / 10th St Connector	South Tar River Greenway
Assets:							
Cash and cash equivalents	\$ 355,431	\$ 1,183,634	\$ 353,795	\$ 340,515	\$ 31,277	\$ 2,286,079	\$ -
Accounts receivable	-	-	-	6,328	-	-	-
Loans receivable	-	113,405	-	-	-	-	-
Due from other funds	-	1,580	-	-	-	-	-
Due from other governments	-	2,361	(4,030)	3	-	384,265	-
Restricted cash and investments	-	-	-	-	2,673,236	654,783	-
Total assets	\$ 355,431	\$ 1,300,980	\$ 349,765	\$ 346,846	\$ 2,704,513	\$ 3,325,127	\$ -
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 34,712	\$ -	\$ 794	\$ -	3,800	\$ -
Due to other funds	327,694	-	-	-	-	-	18,888
Deferred revenue	-	113,405	-	-	-	-	-
Total liabilities	327,694	148,117	-	794	-	3,800	18,888
Fund Balances:							
Fund balance	27,737	1,152,863	349,765	346,052	2,704,513	3,321,327	(18,888)
Total fund balance	27,737	1,152,863	349,765	346,052	2,704,513	3,321,327	(18,888)
Total liabilities and fund balances	\$ 355,431	\$ 1,300,980	\$ 349,765	\$ 346,846	\$ 2,704,513	\$ 3,325,127	\$ -

Schedule D-1

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	Public Works Beatty Street Project	Lead Based Paint Hazard Project	Total
\$ 258,020	\$ 183,167	\$ 3,463	\$ 370,656	\$ 872,771	\$ 348,573	\$ 2,034,174	\$ 76,113	\$ -	\$ 8,697,668
-	-	2,958	-	36,706	-	-	-	19,128	65,120
-	-	-	-	-	-	-	-	-	113,405
-	-	-	-	-	-	-	-	-	1,580
-	-	-	-	-	-	-	1,278	-	383,877
-	2,725,924	-	-	-	-	-	-	-	6,053,943
<u>\$ 258,020</u>	<u>\$ 2,909,091</u>	<u>\$ 6,421</u>	<u>\$ 370,656</u>	<u>\$ 909,477</u>	<u>\$ 348,573</u>	<u>\$ 2,034,174</u>	<u>\$ 77,391</u>	<u>\$ 19,128</u>	<u>\$ 15,315,593</u>
\$ -	2,656	\$ 513	\$ -	\$ 238,092	\$ 371,811	\$ 16,968	\$ -	3,522	\$ 672,868
-	-	-	-	-	-	-	-	16,469	363,051
-	-	-	-	-	-	-	-	-	113,405
-	2,656	513	-	238,092	371,811	16,968	-	19,991	1,149,324
258,020	2,906,435	5,908	370,656	671,385	(23,238)	2,017,206	77,391	(863)	14,166,269
258,020	2,906,435	5,908	370,656	671,385	(23,238)	2,017,206	77,391	(863)	14,166,269
<u>\$ 258,020</u>	<u>\$ 2,909,091</u>	<u>\$ 6,421</u>	<u>\$ 370,656</u>	<u>\$ 909,477</u>	<u>\$ 348,573</u>	<u>\$ 2,034,174</u>	<u>\$ 77,391</u>	<u>\$ 19,128</u>	<u>\$ 15,315,593</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	Cemetery Development Fund	Affordable Housing Project	Computerized Traffic Signal System	West Third Street Project	2005 COPS Various City Projects	City Hall Facility	45 Block Revitalization	Center City Revitalization	Stantonsburg Road / 10th St Connector	South Tar River Greenway
Revenues:										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,619	\$ 13,349
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	592	2,084	1,307	4,265	988	750	1,089	47,763	561	-
Other revenues	-	13,837	-	-	-	-	2,760	-	-	-
Total revenues	<u>592</u>	<u>15,921</u>	<u>1,307</u>	<u>4,265</u>	<u>988</u>	<u>750</u>	<u>3,849</u>	<u>47,763</u>	<u>779,180</u>	<u>13,349</u>
Expenditures:										
Current:										
Capital outlay	-	192,043	31,615	570	5,445	68,907	275,030	357,541	800,930	27,607
Total expenditures	<u>-</u>	<u>192,043</u>	<u>31,615</u>	<u>570</u>	<u>5,445</u>	<u>68,907</u>	<u>275,030</u>	<u>357,541</u>	<u>800,930</u>	<u>27,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>592</u>	<u>(176,122)</u>	<u>(30,308)</u>	<u>3,695</u>	<u>(4,457)</u>	<u>(68,157)</u>	<u>(271,181)</u>	<u>(309,778)</u>	<u>(21,750)</u>	<u>(14,258)</u>
Other Financing Sources (Uses):										
Long-term debt issued	-	-	-	-	-	-	-	-	2,025,737	-
Sale of property	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	943,000	-
Transfers out	-	-	(48,280)	(110,992)	(513,421)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(48,280)</u>	<u>(110,992)</u>	<u>(513,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,968,737</u>	<u>-</u>
Net change in fund balances	<u>592</u>	<u>(176,122)</u>	<u>(78,588)</u>	<u>(107,297)</u>	<u>(517,878)</u>	<u>(68,157)</u>	<u>(271,181)</u>	<u>(309,778)</u>	<u>2,946,987</u>	<u>(14,258)</u>
Fund Balances:										
Fund balances, beginning of year	27,145	1,328,985	78,588	107,297	517,878	417,922	617,233	3,014,291	374,340	(4,630)
Fund balances, end of year	<u>\$ 27,737</u>	<u>\$ 1,152,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,765</u>	<u>\$ 346,052</u>	<u>\$ 2,704,513</u>	<u>\$ 3,321,327</u>	<u>\$ (18,888)</u>

Schedule D-2

Sidewalk Construction Project	Way Finding Community Development	Thomas Langston Road Extension Project	Intermodal Transportation Center Project	Employee Parking Lot Expansion Project	Dickinson Avenue Relocation Project	Convention Center Expansion Project	Community Oriented Policing Service Project	Technology for Public Safety Project	Public Works Beatty Street Project	Lead Based ARRA	GAFB Renovation Project	Total
\$ -	\$ -	\$ -	\$ 47,603	\$ -	\$ -	\$ -	\$ 2,888,716	\$ -	\$ -	\$ 19,063	\$ 499,999	\$ 4,247,349
-	-	-	-	-	-	273,839	-	-	-	-	-	273,839
135	429	-	-	325	425	1,025	1,205	5,089	242	-	-	68,274
-	-	-	-	-	400,000	-	-	-	-	-	-	416,597
135	429	-	47,603	325	400,425	274,864	2,889,921	5,089	242	19,063	499,999	5,006,059
7	184	49,333	55,431	-	369,820	1,688,733	3,718,990	1,073,470	189,865	19,926	-	8,925,447
7	184	49,333	55,431	-	369,820	1,688,733	3,718,990	1,073,470	189,865	19,926	-	8,925,447
128	245	(49,333)	(7,828)	325	30,605	(1,413,869)	(829,069)	(1,068,381)	(189,623)	(863)	499,999	(3,919,388)
-	-	2,896,803	-	-	-	-	-	-	-	-	-	4,922,540
-	-	-	-	175,500	-	-	-	-	-	-	-	175,500
-	-	110,877	5,492	-	-	1,649,271	-	-	-	-	-	2,708,640
(81,229)	-	-	-	-	(289,544)	-	-	-	-	-	-	(1,043,466)
(81,229)	-	3,007,680	5,492	175,500	(289,544)	1,649,271	-	-	-	-	-	6,763,214
(81,101)	245	2,958,347	(2,336)	175,825	(258,939)	235,402	(829,069)	(1,068,381)	(189,623)	(863)	499,999	2,843,826
81,101	257,775	(51,912)	8,244	194,831	258,939	435,983	805,831	3,085,587	267,014	-	(499,999)	11,322,443
\$ -	\$ 258,020	\$ 2,906,435	\$ 5,908	\$ 370,656	\$ -	\$ 671,385	\$ (23,238)	\$ 2,017,206	\$ 77,391	\$ (863)	\$ -	\$ 14,166,269

CITY OF GREENVILLE, NORTH CAROLINA

**CEMETERY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Special Federal/State/Local grants	\$ 105,000	\$ 107,521	\$ -	\$ 107,521
Interest earnings	-	11,728	592	12,320
Total revenues	<u>105,000</u>	<u>119,249</u>	<u>592</u>	<u>119,841</u>
Expenditures:				
Capital improvements	<u>390,000</u>	<u>377,104</u>	<u>-</u>	<u>377,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,000)</u>	<u>(257,855)</u>	<u>592</u>	<u>(257,263)</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>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 27,145</u>	<u>\$ 592</u>	<u>\$ 27,737</u>

Schedule D-4

CITY OF GREENVILLE, NORTH CAROLINA

**AFFORDABLE HOUSING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 160,500	\$ 188,765	\$ 2,084	\$ 190,849
Loan payments	142,100	187,822	13,710	201,532
Sale of property	<u>1,176,000</u>	<u>1,369,549</u>	<u>127</u>	<u>1,369,676</u>
Total revenues	<u>1,478,600</u>	<u>1,746,136</u>	<u>15,921</u>	<u>1,762,057</u>
Expenditures:				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	2,021,151	992,467	192,043	1,184,510
Land banking	733,000	688,274	-	688,274
Rehabilitation	<u>243,100</u>	<u>255,536</u>	<u>-</u>	<u>255,536</u>
Total expenditures	<u>3,003,600</u>	<u>1,942,626</u>	<u>192,043</u>	<u>2,134,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,525,000)</u>	<u>(196,490)</u>	<u>(176,122)</u>	<u>(372,612)</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>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,328,985</u>	<u>\$ (176,122)</u>	<u>\$ 1,152,863</u>

CITY OF GREENVILLE, NORTH CAROLINA

**COMPUTERIZED TRAFFIC SIGNAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 430,000	\$ 469,897	\$ 1,307	\$ 471,204
NCDOT grant	600,000	600,000	-	600,000
Miscellaneous	-	900	-	900
Total revenues	<u>1,030,000</u>	<u>1,070,797</u>	<u>1,307</u>	<u>1,072,104</u>
Expenditures:				
Bond administration cost	47,285	42,590	-	42,590
Traffic signal maintenance facility	4,693,000	4,625,714	31,615	4,657,329
Total expenditures	<u>4,740,285</u>	<u>4,668,304</u>	<u>31,615</u>	<u>4,699,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,710,285)</u>	<u>(3,597,507)</u>	<u>(30,308)</u>	<u>(3,627,815)</u>
Other Financing Sources (Uses):				
Bonds issued	3,825,285	3,790,969	-	3,790,969
Transfers in	-	126	-	126
Transfers out	(163,220)	(115,000)	(48,280)	(163,280)
Appropriated fund balance	48,220	-	-	-
Total other financing sources (uses)	<u>3,710,285</u>	<u>3,676,095</u>	<u>(48,280)</u>	<u>3,627,815</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 78,588</u>	<u>\$ (78,588)</u>	<u>\$ -</u>

Schedule D-6

CITY OF GREENVILLE, NORTH CAROLINA

**WEST 3RD STREET CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Other revenues	\$ -	\$ 3,724	\$ -	\$ 3,724
Interest earnings	-	58,163	4,265	62,428
Total revenues	<u>-</u>	<u>61,887</u>	<u>4,265</u>	<u>66,152</u>
Expenditures:				
Construction	840,000	786,909	570	787,479
Bond administration	-	7,681	-	7,681
Total expenditures	<u>840,000</u>	<u>794,590</u>	<u>570</u>	<u>795,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(840,000)</u>	<u>(732,703)</u>	<u>3,695</u>	<u>(729,008)</u>
Other Financing Sources (Uses):				
Bonds issued	840,000	840,000	-	840,000
Transfers to other funds	(109,498)	-	(110,992)	(110,992)
Appropriated fund balance	109,498	-	-	-
Total other financing sources (uses)	<u>840,000</u>	<u>840,000</u>	<u>(110,992)</u>	<u>729,008</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 107,297</u>	<u>\$ (107,297)</u>	<u>\$ -</u>

CITY OF GREENVILLE, NORTH CAROLINA

**2005 COPS - VARIOUS CITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Restricted intergovernmental revenues	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest earnings	150,000	230,499	988	231,487
Total revenues	<u>400,000</u>	<u>480,499</u>	<u>988</u>	<u>481,487</u>
Expenditures:				
Fire and rescue project	3,095,506	2,822,979	5,445	2,828,424
Guy Smith Stadium	900,000	873,623	-	873,623
Greenfield Terrace	399,131	363,246	-	363,246
SW Park Development	169,872	174,793	-	174,793
Carver Library	1,194,700	1,065,620	-	1,065,620
Total expenditures	<u>5,759,209</u>	<u>5,300,261</u>	<u>5,445</u>	<u>5,305,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,359,209)</u>	<u>(4,819,762)</u>	<u>(4,457)</u>	<u>(4,824,219)</u>
Other Financing Sources (Uses):				
Premium received on debt issue	150,000	168,211	-	168,211
Certificate of Participation issued	5,101,058	5,095,253	-	5,095,253
Transfers to other funds	(405,269)	74,176	(513,421)	(439,245)
Appropriated fund balance	513,420	-	-	-
Total other financing sources (uses)	<u>5,359,209</u>	<u>5,337,640</u>	<u>(513,421)</u>	<u>4,824,219</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 517,878</u>	<u>\$ (517,878)</u>	<u>\$ -</u>

CITY OF GREENVILLE, NORTH CAROLINA

**CITY HALL FACILITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and State grants	\$ 121,028	\$ 121,028	\$ -	\$ 121,028
Other income	-	31,916	-	31,916
Interest earnings	558,550	850,062	750	850,812
Total revenues	<u>679,578</u>	<u>1,003,006</u>	<u>750</u>	<u>1,003,756</u>
Expenditures:				
Construction	9,252,523	9,886,988	30,137	9,917,125
Capital outlay	1,230,997	1,232,093	15,775	1,247,868
Acquisition	950,000	950,000	-	950,000
Bond administration cost	250,000	102,049	-	102,049
Design	1,115,000	698,701	22,995	721,696
Total expenditures	<u>12,798,520</u>	<u>12,869,831</u>	<u>68,907</u>	<u>12,938,738</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,118,942)</u>	<u>(11,866,825)</u>	<u>(68,157)</u>	<u>(11,934,982)</u>
Other Financing Sources (Uses):				
Bonds issued	425,000	425,000	-	425,000
Certificate of Participation issued	10,723,942	10,889,747	-	10,889,747
Transfers from other funds	970,000	970,000	-	970,000
Total other financing sources (uses)	<u>12,118,942</u>	<u>12,284,747</u>	<u>-</u>	<u>12,284,747</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 417,922</u>	<u>\$ (68,157)</u>	<u>\$ 349,765</u>

CITY OF GREENVILLE, NORTH CAROLINA

**45 BLOCK REVITALIZATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Other income	\$ 421,317	\$ 426,552	\$ 2,760	\$ 429,312
Sales and services	382,020	382,025	-	382,025
Interest earnings	105,798	120,173	1,089	121,262
Total revenues	<u>909,135</u>	<u>928,750</u>	<u>3,849</u>	<u>932,599</u>
Expenditures:				
Acquisition	2,629,635	2,606,894	12,949	2,619,843
Demolition	401,847	325,555	74,868	400,423
Construction	649,756	580,959	216	581,175
Infrastructure	1,323,153	105,455	37,435	142,890
Development financing	300,000	22,742	61,969	84,711
Relocation assistance	275,000	216,804	48,477	265,281
Owner occupied rehabilitation	275,000	166,387	39,116	205,503
Furnishings	54,744	44,968	-	44,968
Bond administration	-	33,487	-	33,487
Total expenditures	<u>5,909,135</u>	<u>4,103,251</u>	<u>275,030</u>	<u>4,378,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,000,000)</u>	<u>(3,174,501)</u>	<u>(271,181)</u>	<u>(3,445,682)</u>
Other Financing Sources (Uses):				
Premium received on debt issue	-	16,734	-	16,734
Bonds issued	<u>5,000,000</u>	<u>3,775,000</u>	<u>-</u>	<u>3,775,000</u>
Total other financing sources (uses)	<u>5,000,000</u>	<u>3,791,734</u>	<u>-</u>	<u>3,791,734</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 617,233</u>	<u>\$ (271,181)</u>	<u>\$ 346,052</u>

Schedule D-10

CITY OF GREENVILLE, NORTH CAROLINA

**CENTER CITY REVITALIZATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 216,576	\$ 47,763	\$ 264,339
Total revenues	<u>-</u>	<u>216,576</u>	<u>47,763</u>	<u>264,339</u>
Expenditures:				
Acquisition	2,250,000	10,975	291,803	302,778
Demolition	140,050	-	-	-
Infrastructure	1,809,950	178,591	49,138	227,729
Development financing	300,000	-	16,600	16,600
Bond administration	-	26,017	-	26,017
Business retention	500,000	-	-	-
Total expenditures	<u>5,000,000</u>	<u>215,583</u>	<u>357,541</u>	<u>573,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,000,000)</u>	<u>993</u>	<u>(309,778)</u>	<u>(308,785)</u>
Other Financing Sources (Uses):				
Premium received on debt issue	-	13,298	-	13,298
Bonds issued	5,000,000	3,000,000	-	3,000,000
Total other financing sources (uses)	<u>5,000,000</u>	<u>3,013,298</u>	<u>-</u>	<u>3,013,298</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,014,291</u>	<u>\$ (309,778)</u>	<u>\$ 2,704,513</u>

CITY OF GREENVILLE, NORTH CAROLINA

**STANTONSBURG 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, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Restricted intergovernmental revenue	\$ 4,000,000	\$ 1,050,000	\$ 778,619	\$ 1,828,619
Interest earnings	22,000	276	561	837
Total revenues	<u>4,022,000</u>	<u>1,050,276</u>	<u>779,180</u>	<u>1,829,456</u>
Expenditures:				
Bond administration cost	22,000	-	31,987	31,987
Engineering	3,000,000	675,936	768,943	1,444,879
Right of way	3,000,000	-	-	-
Total expenditures	<u>6,022,000</u>	<u>675,936</u>	<u>800,930</u>	<u>1,476,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,000,000)</u>	<u>374,340</u>	<u>(21,750)</u>	<u>352,590</u>
Other Financing Sources (Uses):				
Transfers in		-	943,000	943,000
Bonds issued	2,000,000	-	2,025,737	2,025,737
Total other financing sources (uses)	<u>2,000,000</u>	<u>-</u>	<u>2,968,737</u>	<u>2,968,737</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 374,340</u>	<u>\$ 2,946,987</u>	<u>\$ 3,321,327</u>

Schedule D-12

CITY OF GREENVILLE, NORTH CAROLINA

**SOUTH TAR RIVER GREENWAY PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Restricted intergovernmental revenue	\$ 1,480,000	\$ 156,034	\$ 13,349	\$ 169,383
Total revenues	<u>1,480,000</u>	<u>156,034</u>	<u>13,349</u>	<u>169,383</u>
Expenditures:				
Testing	25,000	-	-	-
Construction	1,243,000	-	3,150	3,150
Engineering	163,000	161,664	10,749	172,413
Right of way	50,000	-	13,708	13,708
Total expenditures	<u>1,481,000</u>	<u>161,664</u>	<u>27,607</u>	<u>189,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,000)</u>	<u>\$ (5,630)</u>	<u>\$ (14,258)</u>	<u>\$ (19,888)</u>
Other Financing Sources (Uses):				
Transfers in	1,000	1,000	-	1,000
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Revenues and other financing sources and over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (4,630)</u>	<u>\$ (14,258)</u>	<u>\$ (18,888)</u>

CITY OF GREENVILLE, NORTH CAROLINA

**SIDEWALK CONSTRUCTION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Restricted intergovernmental revenue	\$ 375,600	\$ 153,600	\$ -	\$ 153,600
Interest earnings	-	492	135	627
Total revenues	<u>375,600</u>	<u>154,092</u>	<u>135</u>	<u>154,227</u>
Expenditures:				
Construction	575,600	272,991	7	272,998
Total expenditures	<u>575,600</u>	<u>272,991</u>	<u>7</u>	<u>272,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,000)</u>	<u>(118,899)</u>	<u>128</u>	<u>(118,771)</u>
Other Financing Sources (Uses):				
Transfers in	118,764	200,000	(81,229)	118,771
Appropriated fund balance	81,236	-	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>(81,229)</u>	<u>118,771</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 81,101</u>	<u>\$ (81,101)</u>	<u>\$ -</u>

Schedule D-14

CITY OF GREENVILLE, NORTH CAROLINA

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, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Interest earnings	\$ -	\$ 2,075	\$ 429	\$ 2,504
Expenditures:				
Construction	255,700	-	184	184
Excess (deficiency) of revenues over (under) expenditures	<u>(255,700)</u>	<u>2,075</u>	<u>245</u>	<u>2,320</u>
Other Financing Sources (Uses):				
Transfers in	255,700	255,700	-	255,700
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 257,775</u>	<u>\$ 245</u>	<u>\$ 258,020</u>

CITY OF GREENVILLE, NORTH CAROLINA

**THOMAS LANGSTON ROAD EXTENSION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 114,400	\$ -	\$ -	\$ -
Other income	-	102,567	-	102,567
Total revenues	<u>114,400</u>	<u>102,567</u>	<u>-</u>	<u>102,567</u>
Expenditures:				
Engineering	190,000	154,479	10,597	165,076
Bond Administration Expense		-	22,369	22,369
Construction	2,893,898	-	16,367	16,367
Total expenditures	<u>3,083,898</u>	<u>154,479</u>	<u>49,333</u>	<u>203,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,969,498)</u>	<u>(51,912)</u>	<u>(49,333)</u>	<u>(101,245)</u>
Other Financing Sources (Uses):				
Bonds issued	2,860,000	-	2,896,803	2,896,803
Transfers in	109,498	-	110,877	110,877
Total other financing sources (uses)	<u>2,969,498</u>	<u>-</u>	<u>3,007,680</u>	<u>3,007,680</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (51,912)</u>	<u>\$ 2,958,347</u>	<u>\$ 2,906,435</u>

Schedule D-16

CITY OF GREENVILLE, NORTH CAROLINA

**INTERMODAL TRANSPORTATION CENTER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and State grants	\$ 146,034	\$ 72,268	\$ 47,603	\$ 119,871
Interest earnings	-	48.00	-	48.00
Total revenues	<u>146,034</u>	<u>72,316</u>	<u>47,603</u>	<u>119,919</u>
Expenditures:				
Construction	162,260	80,298	55,431	135,729
Total expenditures	<u>162,260</u>	<u>80,298</u>	<u>55,431</u>	<u>135,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,226)</u>	<u>(7,982)</u>	<u>(7,828)</u>	<u>(15,810)</u>
Other Financing Sources (Uses):				
Transfers in	16,226	16,226	5,492	21,718
Total other financing sources (uses)	<u>16,226</u>	<u>16,226</u>	<u>5,492</u>	<u>21,718</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 8,244</u>	<u>\$ (2,336)</u>	<u>\$ 5,908</u>

CITY OF GREENVILLE, NORTH CAROLINA

**EMPLOYEE PARKING LOT EXPANSION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 1,148	\$ 325	\$ 1,473
Total revenues	<u>-</u>	<u>1,148</u>	<u>325</u>	<u>1,473</u>
Expenditures:				
Renovations	193,683	-	-	-
Total expenditures	<u>193,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,683)</u>	<u>1,148</u>	<u>325</u>	<u>1,473</u>
Other Financing Sources (Uses):				
Sale of property			175,500	175,500
Transfers in	193,683	193,683	-	193,683
Total other financing sources (uses)	<u>193,683</u>	<u>193,683</u>	<u>175,500</u>	<u>369,183</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 194,831</u>	<u>\$ 175,825</u>	<u>\$ 370,656</u>

Schedule D-18

CITY OF GREENVILLE, NORTH CAROLINA

**DICKINSON AVENUE RELOCATION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 1,215	\$ 425	\$ 1,640
Other income-utility relocation	400,000	-	400,000	400,000
Total revenues	<u>400,000</u>	<u>1,215</u>	<u>400,425</u>	<u>401,640</u>
Expenditures:				
Engineering	35,500	36,968	-	36,968
Acquisition	1,353,555	1,358,510	-	1,358,510
Construction	840,000	175,853	369,820	545,673
Total expenditures	<u>2,229,055</u>	<u>1,571,331</u>	<u>369,820</u>	<u>1,941,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,829,055)</u>	<u>(1,570,116)</u>	<u>30,605</u>	<u>(1,539,511)</u>
Other Financing Sources (Uses):				
Transfers in	1,829,055	1,829,055	-	1,829,055
Transfers out	(181,056)	-	(289,544)	(289,544)
Appropriated fund balance	181,056	-	-	-
Total other financing sources (uses)	<u>1,829,055</u>	<u>1,829,055</u>	<u>(289,544)</u>	<u>1,539,511</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 258,939</u>	<u>\$ (258,939)</u>	<u>\$ -</u>

CITY OF GREENVILLE, NORTH CAROLINA

**CONVENTION CENTER EXPANSION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and state grants	\$ 30,000	\$ -	\$ -	\$ -
Occupancy taxes	1,062,202	474,725	273,839	748,564
Interest earnings	-	-	1,025	1,025
Total revenues	<u>1,092,202</u>	<u>474,725</u>	<u>274,864</u>	<u>749,589</u>
Expenditures:				
Allocation to Convention & Visitor Authority	95,354	95,354	128,212	223,566
Construction	2,726,119	23,388	1,560,521	1,583,909
Total expenditures	<u>2,821,473</u>	<u>118,742</u>	<u>1,688,733</u>	<u>1,807,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,729,271)</u>	<u>355,983</u>	<u>(1,413,869)</u>	<u>(1,057,886)</u>
Other Financing Sources (Uses):				
Transfers in	<u>1,729,271</u>	<u>80,000</u>	<u>1,649,271</u>	<u>1,729,271</u>
Total other financing sources (uses)	<u>1,729,271</u>	<u>80,000</u>	<u>1,649,271</u>	<u>1,729,271</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 435,983</u>	<u>\$ 235,402</u>	<u>\$ 671,385</u>

Schedule D-20

CITY OF GREENVILLE, NORTH CAROLINA

**COMMUNITY ORIENTED POLICING SERVICES (COPS) PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Federal and State grants	\$ 3,308,159	\$ 144,568	\$ 2,888,716	\$ 3,033,284
Interest earnings	-	657	1,205	1,862
Total revenues	<u>3,308,159</u>	<u>145,225</u>	<u>2,889,921</u>	<u>3,035,146</u>
Expenditures:				
Administration	2,369,790	1,025	2,279,939	2,280,964
Capital outlay	1,600,000	-	1,439,051	1,439,051
Total expenditures	<u>3,969,790</u>	<u>1,025</u>	<u>3,718,990</u>	<u>3,720,015</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(661,631)</u>	<u>144,200</u>	<u>(829,069)</u>	<u>(684,869)</u>
Other Financing Sources (Uses):				
Transfers in	661,631	661,631	-	661,631
Total other financing sources (uses)	<u>661,631</u>	<u>661,631</u>	<u>-</u>	<u>661,631</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 805,831</u>	<u>\$ (829,069)</u>	<u>\$ (23,238)</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NEW TECHNOLOGY FOR PUBLIC SAFETY PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 909	\$ 5,089	\$ 5,998
Total revenues	<u>-</u>	<u>909</u>	<u>5,089</u>	<u>5,998</u>
Expenditures:				
Testing	2,753,957	382,389	918,606	1,300,995
Capital outlay	730,043	16,933	154,864	171,797
Total expenditures	<u>3,484,000</u>	<u>399,322</u>	<u>1,073,470</u>	<u>1,472,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,484,000)</u>	<u>(398,413)</u>	<u>(1,068,381)</u>	<u>(1,466,794)</u>
Other Financing Sources (Uses):				
Transfers in	3,484,000	3,484,000	-	3,484,000
Total other financing sources (uses)	<u>3,484,000</u>	<u>3,484,000</u>	<u>-</u>	<u>3,484,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,085,587</u>	<u>\$ (1,068,381)</u>	<u>\$ 2,017,206</u>

Schedule D-22

CITY OF GREENVILLE, NORTH CAROLINA

**PUBLIC WORKS YARD-BEATTY STREET PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ -	\$ 242	\$ 242
Total revenues	<u>-</u>	<u>-</u>	<u>242</u>	<u>242</u>
Expenditures:				
Construction	403,700	136,686	189,865	326,551
Total expenditures	<u>403,700</u>	<u>136,686</u>	<u>189,865</u>	<u>326,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(403,700)</u>	<u>(136,686)</u>	<u>(189,623)</u>	<u>(326,309)</u>
Other Financing Sources (Uses):				
Transfers in	403,700	403,700	-	403,700
Total other financing sources (uses)	<u>403,700</u>	<u>403,700</u>	<u>-</u>	<u>403,700</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 267,014</u>	<u>\$ (189,623)</u>	<u>\$ 77,391</u>

CITY OF GREENVILLE, NORTH CAROLINA

**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, 2009**

	Project	Current	
	Authorization	Year	Total
Revenues:			
ARRA Lead-Based grant	\$ 1,922,370	\$ 19,063	\$ 19,063
Expenditures:			
Administration	216,894	11,692	11,692
Construction	1,705,476	8,234	8,234
Total expenditures	<u>1,922,370</u>	<u>19,926</u>	<u>19,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(863)</u>	<u>(863)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (863)</u>	<u>\$ (863)</u>

CITY OF GREENVILLE, NORTH CAROLINA

**GAFC RENOVATION CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal and State grants	\$ 500,000	\$ -	\$ 499,999	\$ 499,999
Total revenues	<u>500,000</u>	<u>-</u>	<u>499,999</u>	<u>499,999</u>
Expenditures:				
Renovations	540,000	539,999	-	539,999
Total expenditures	<u>540,000</u>	<u>539,999</u>	<u>-</u>	<u>539,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(539,999)</u>	<u>499,999</u>	<u>(40,000)</u>
Other Financing Sources (Uses):				
Transfers in	40,000	40,000	-	40,000
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (499,999)</u>	<u>\$ 499,999</u>	<u>\$ -</u>

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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.

ELECTRIC FUND

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

WATER FUND

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

SEWER FUND

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

GAS FUND

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

PUBLIC TRANSPORTATION FUND

The Public Transportation Fund is 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.

SANITATION

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

BRADFORD CREEK GOLF COURSE FUND

The Bradford Creek Golf Course Fund is established to account for the operations of the golf course located on Old Pactolus Road.

STORMWATER UTILITY FUND

The Stormwater Utility Fund is established to account for the operations of the Stormwater Utility operated through the Public Works Department of the City. This fund has an affiliated capital project fund.

STORMWATER DRAINAGE PROJECT

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

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CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
ELECTRIC OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 187,660,310	\$ 185,301,475	\$ (2,358,835)	\$ 166,967,883
Fees and charges	730,067	849,996	119,929	706,999
U.G. temp service charges	272,081	196,821	(75,260)	507,370
Miscellaneous	419,703	472,514	52,811	432,762
Total operating revenues	189,082,161	186,820,806	(2,261,355)	168,615,014
Non-Operating Revenues:				
Interest on temporary investments	800,000	680,167	(119,833)	1,391,592
Miscellaneous	420,850	383,083	(37,767)	378,302
Total non-operating revenues	1,220,850	1,063,250	(157,600)	1,769,894
Total revenues	190,303,011	187,884,056	(2,418,955)	170,384,908
Expenditures:				
Governing Body department	2,014,511	1,807,934	206,577	2,782,819
Finance department	4,216,990	3,726,435	490,555	4,032,014
Human Resources department	1,229,199	1,122,807	106,392	1,079,053
Information Technology department	1,238,297	1,301,420	(63,123)	1,281,555
Customer Relations department	3,635,501	3,458,859	176,642	3,148,350
Electric department	178,624,063	176,344,880	2,279,183	157,797,473
Meter department	1,643,452	1,428,052	215,400	1,625,260
Utility Locating Services	129,177	117,126	12,051	134,157
Total expenditures	192,731,190	189,307,513	3,423,677	171,880,681
Excess of revenues over (under) expenditures	(2,428,179)	(1,423,457)	1,004,722	(1,495,773)
Other Financing Sources (Uses):				
Contributed capital	-	-	-	24,200
Bond proceeds	2,083,179	1,435,714	(647,465)	4,130,000
Installment proceeds	345,000	320,000	(25,000)	-
Intrafund transfers out	-	-	-	(12,000)
Total other financing sources (uses)	2,428,179	1,755,714	(672,465)	4,142,200
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 332,257	\$ 332,257	\$ 2,646,427

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
ELECTRIC OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		2008
	Budget	Actual	Variance Positive (Negative) Actual
Reconciliation to Full Accrual Basis From Modified Accrual Basis:			
Revenues over (under) expenditures		\$ 332,257	\$ 2,646,427
Budgetary appropriations - capital		8,051,764	11,353,674
Budgetary appropriations - debt principal		1,498,985	1,434,787
Depreciation		(6,903,947)	(6,675,308)
Debt issued		(1,755,714)	(4,130,000)
Amortization of bond premium/discount		(11,959)	(15,563)
Amortization of bond issuance costs		(4,291)	(1,471)
Capitalization of bond interest		244,958	-
Intra-fund transfers		-	12,000
Changes in accrued interest payable		(78,045)	40,057
Changes in unrealized gains/losses on investments		-	19,492
Changes in OPEB liability		(999,386)	(1,347,502)
Revenue recognized in Capital Projects		114,260	176,687
Total reconciling items		156,625	866,853
Change in net assets - GAAP Basis		\$ 488,882	\$ 3,513,280

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
WATER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 13,288,046	\$ 12,934,404	\$ (353,642)	\$ 12,646,586
Fees and charges	508,617	526,328	17,711	909,860
Miscellaneous	74,319	78,685	4,366	72,586
Total operating revenues	<u>13,870,982</u>	<u>13,539,417</u>	<u>(331,565)</u>	<u>13,629,032</u>
Non-Operating Revenues:				
Interest on temporary investments	80,000	76,296	(3,704)	137,490
Miscellaneous	322,489	339,803	17,314	84,968
Total non-operating revenues	<u>402,489</u>	<u>416,099</u>	<u>13,610</u>	<u>222,458</u>
Total revenues	<u>14,273,471</u>	<u>13,955,516</u>	<u>(317,955)</u>	<u>13,851,490</u>
Expenditures:				
Governing Body department	617,428	625,218	(7,790)	747,240
Finance department	3,475,023	3,536,443	(61,420)	3,147,816
Human Resources department	659,570	609,730	49,840	157,256
Information Technology department	531,017	381,308	149,709	438,270
Customer Relations department	234,250	127,425	106,825	192,895
Meter department	533,574	314,768	218,806	436,839
Water department	8,889,227	8,651,253	237,974	7,373,584
Utility Locating Services	129,178	116,538	12,640	133,697
Total expenditures	<u>15,069,267</u>	<u>14,362,683</u>	<u>706,584</u>	<u>12,627,597</u>
Excess of revenues over (under) expenditures	<u>(795,796)</u>	<u>(407,167)</u>	<u>388,629</u>	<u>1,223,893</u>
Other Financing Sources (Uses):				
Contractor's Contributions	-	1,833,101	1,833,101	1,596,228
Bond proceeds	680,859	630,838	(50,021)	-
Intrafund transfers in	114,937	114,937	-	-
Intrafund transfers out	-	-	-	(320,000)
Total other financing sources (uses)	<u>795,796</u>	<u>2,578,876</u>	<u>1,783,080</u>	<u>1,276,228</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,171,709</u>	<u>\$ 2,171,709</u>	<u>\$ 2,500,121</u>

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
WATER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures				\$ 2,500,121
Budgetary appropriations - capital		1,565,404		1,370,832
Budgetary appropriations - debt principal		1,817,776		1,605,478
Depreciation		(3,134,453)		(2,971,826)
Debt proceeds		(630,838)		-
Amortization of bond premium/discount		(5,544)		(9,757)
Amortization of bond issuance costs		(22,268)		(365)
Capitalization of bond interest		323,405		-
Intra-fund transfers		(114,937)		320,000
Changes in accrued interest payable		(244,640)		155,336
Changes in unrealized gains/losses on investments		-		2,105
Changes in OPEB liability		(374,393)		(691,752)
Revenue recognized in Capital Projects		823,179		83,932
Total reconciling items		2,691		(136,017)
Change in net assets - GAAP Basis		<u>\$ 2,174,400</u>		<u>\$ 2,364,104</u>

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
SEWER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 13,272,130	\$ 13,282,500	\$ 10,370	\$ 12,458,883
Fees and charges	363,437	388,926	25,489	686,020
Miscellaneous	71,066	73,490	2,424	77,379
Total operating revenues	<u>13,706,633</u>	<u>13,744,916</u>	<u>38,283</u>	<u>13,222,282</u>
Non-Operating Revenues:				
Interest on temporary investments	175,000	155,313	(19,687)	291,071
Acreage fees	250,000	-	(250,000)	-
Pitt County	130,437	130,438	1	430,438
Miscellaneous	30,167	94,656	64,489	37,914
Total non-operating revenues	<u>585,604</u>	<u>380,407</u>	<u>(205,197)</u>	<u>759,423</u>
Total revenues	<u>14,292,237</u>	<u>14,125,323</u>	<u>(166,914)</u>	<u>13,981,705</u>
Expenditures:				
Governing Body department	658,970	638,152	20,818	727,799
Finance department	5,224,940	5,259,659	(34,719)	4,887,744
Human Resources department	629,590	583,033	46,557	105,760
Information Technology department	530,166	495,019	35,147	473,266
Customer Relations department	234,250	248,361	(14,111)	195,695
Meter department	192,901	255,296	(62,395)	144,075
Sewer department	7,683,284	7,228,308	454,976	6,832,471
Utility Locating Services	129,177	116,499	12,678	133,697
Total expenditures	<u>15,283,278</u>	<u>14,824,327</u>	<u>458,951</u>	<u>13,500,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(991,041)</u>	<u>(699,004)</u>	<u>292,037</u>	<u>481,198</u>
Other Financing Sources (Uses):				
Contractor's Contributions	-	2,043,614	2,043,614	3,141,983
Bond proceeds	861,041	861,177	136	-
Intrafund transfers in	130,000	-	(130,000)	-
Total other financing sources (uses)	<u>991,041</u>	<u>2,904,791</u>	<u>1,913,750</u>	<u>3,141,983</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,205,787</u>	<u>\$ 2,205,787</u>	<u>\$ 3,623,181</u>

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
SEWER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ 2,205,787		\$ 3,623,181
Budgetary appropriations - capital		1,013,964		1,281,538
Budgetary appropriations - debt principal		3,367,976		3,302,144
Depreciation		(3,895,206)		(3,780,795)
Debt proceeds		(861,177)		-
Amortization of bond premium/discount		(21,495)		(35,188)
Amortization of bond issuance costs		(7,606)		(125)
Intra-fund transfers		313,209		-
Changes in accrued interest payable		(71,693)		94,425
Changes in unrealized gains/losses on investments		-		4,329
Changes in OPEB liability		(399,119)		(333,737)
Revenue recognized in Capital Projects		456,937		710,330
Total reconciling items		(104,210)		1,242,921
Change in net assets - GAAP Basis		\$ 2,101,577		\$ 4,866,101

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
GAS OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 42,689,294	\$ 44,176,441	\$ 1,487,147	\$ 40,751,828
Fees and charges	161,150	138,363	(22,787)	214,223
Miscellaneous	78,622	93,095	14,473	85,080
Total operating revenues	42,929,066	44,407,899	1,478,833	41,051,131
Non-Operating Revenues:				
Interest on temporary investments	70,000	97,828	27,828	89,021
Miscellaneous	40,552	68,274	27,722	58,378
Total non-operating revenues	110,552	166,102	55,550	147,399
Total revenues	43,039,618	44,574,001	1,534,383	41,198,530
Expenditures				
Governing Body department	700,853	657,804	43,049	820,090
Finance department	1,785,059	1,734,290	50,769	1,656,928
Human Resources department	479,688	448,056	31,632	175,912
Information Technology department	581,078	554,060	27,018	494,627
Customer Relations department	468,500	431,240	37,260	377,414
Meter department	392,974	567,149	(174,175)	639,600
Gas department	38,626,098	34,820,840	3,805,258	35,206,844
Utility Locating Services	129,177	115,038	14,139	133,034
Total expenditures	43,163,427	39,328,477	3,834,950	39,504,449
Excess (deficiency) of revenues over (under) expenditures	(123,809)	5,245,524	5,369,333	1,694,081
Other Financing Sources (Uses):				
Bond proceeds	123,809	123,698	(111)	-
Intrafund transfers out	-	-	-	(2,885)
Total other financing sources (uses)	123,809	123,698	(111)	(2,885)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 5,369,222	\$ 5,369,222	\$ 1,691,196

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
GAS OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ 5,369,222		\$ 1,691,196
Budgetary appropriations - capital		809,524		1,374,220
Budgetary appropriations - debt principal		784,847		744,913
Depreciation		(1,390,741)		(1,381,942)
Bond proceeds		(123,698)		-
Amortization of bond premium/discount		(1,998)		(4,990)
Amortization of bond issuance costs		(2,572)		(379)
Capitalization of bond interest		52,414		1,249
Intra-fund transfers		-		2,885
Changes in accrued interest payable		(12,740)		27,601
Changes in unrealized gains/losses on investments		-		1,645
Changes in OPEB liability		(318,087)		(445,481)
Revenue recognized in Capital Projects		23,159		16,935
Total reconciling items		(179,892)		336,656
Change in net assets - GAAP basis		\$ 5,189,330		\$ 2,027,852

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Sanitation Refuse Fund	Total
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 1,291,855	\$ -	\$ 4,604,216	\$ -	\$ 5,896,071
Accounts receivable, net	207,192	-	175,579	385,322	768,093
Due from other governments	1,849	6,091	3,671	7,745	19,356
Due from other funds	9,980	-	245,805	477,311	733,096
Inventories	-	14,200	-	-	14,200
Prepaid items and deposits	-	250	-	-	250
Restricted cash and investments	-	-	1,732,967	-	1,732,967
Total current assets	<u>1,510,876</u>	<u>20,541</u>	<u>6,762,238</u>	<u>870,378</u>	<u>9,164,033</u>
Noncurrent Assets:					
Land and construction in progress	-	2,667,190	3,393,586	-	6,060,776
Other capital assets, net of depreciation	1,292,498	469,317	183,331	835,444	2,780,590
Total noncurrent assets	<u>1,292,498</u>	<u>3,136,507</u>	<u>3,576,917</u>	<u>835,444</u>	<u>8,841,366</u>
Total assets	<u>2,803,374</u>	<u>3,157,048</u>	<u>10,339,155</u>	<u>1,705,822</u>	<u>18,005,399</u>
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	47,780	29,055	41,364	100,146	218,345
Due to other funds	-	518,350	34,318	58,148	610,816
Deferred revenue	-	-	175,578	385,022	560,600
Compensated absences payable	33,029	23,320	-	134,068	190,417
Current maturities of long-term debt	-	144,105	328,038	8,879	481,022
Total current liabilities	<u>80,809</u>	<u>714,830</u>	<u>579,298</u>	<u>686,263</u>	<u>2,061,200</u>
Noncurrent Liabilities					
Noncurrent portion of compensated absences	14,154	9,994	-	57,458	81,606
Noncurrent portion of other post employment benefits	90,430	45,215	233,610	527,506	896,761
Noncurrent portion of long-term debt	-	435,878	4,637,918	108,352	5,182,148
Total noncurrent liabilities	<u>104,584</u>	<u>491,087</u>	<u>4,871,528</u>	<u>693,316</u>	<u>6,160,515</u>
Total liabilities	<u>185,393</u>	<u>1,205,917</u>	<u>5,450,826</u>	<u>1,379,579</u>	<u>8,221,715</u>
Net Assets:					
Investment in capital assets, net of related debt	1,292,498	2,556,524	(1,389,039)	718,213	3,178,196
Unrestricted net assets	1,325,483	(605,393)	6,277,368	(391,970)	6,605,488
Total net assets	<u>\$ 2,617,981</u>	<u>\$ 1,951,131</u>	<u>\$ 4,888,329</u>	<u>\$ 326,243</u>	<u>\$ 9,783,684</u>

CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Sanitation Refuse Fund	Total
Operating Revenues:						
Charges for services	\$ -	\$ 216,686	\$ 799,943	\$ 2,958,256	5,396,142	\$ 9,371,027
Other operating revenues	-	1,731	4	-	29,012	30,747
Total operating revenue	-	218,417	799,947	2,958,256	5,425,154	9,401,774
Operating Expenses:						
Administrative and general	-	21,327	-	-	-	21,327
Operations and maintenance	-	1,335,586	858,005	2,430,341	5,708,890	10,332,822
Depreciation and amortization	-	432,045	32,340	67,705	249,154	781,244
Total operating expenses	-	1,788,958	890,345	2,498,046	5,958,044	11,135,393
Operating income (loss)	-	(1,570,541)	(90,398)	460,210	(532,890)	(1,733,619)
Non-Operating Revenues (Expenses):						
Investment earnings	-	1,438	-	45,126	4	46,568
Restricted intergovernmental revenues	-	1,499,320	-	18,431	19,910	1,537,661
Loss on disposal of capital assets	-	(2,370)	-	(2,263)	-	(4,633)
Interest expense	-	-	(20,672)	(219,144)	(447)	(240,263)
Total non-operating revenues (expense)	-	1,498,388	(20,672)	(157,850)	19,467	1,339,333
Income (loss) before transfers and contributions	-	(72,153)	(111,070)	302,360	(513,423)	(394,286)
Contributed capital	-	-	-	-	839,666	839,666
Transfers in	-	468,990	8,000	-	-	476,990
Transfer out	(6,054,334)	-	-	-	-	(6,054,334)
Change in net assets	(6,054,334)	396,837	(103,070)	302,360	326,243	(5,131,964)
Net assets, beginning of year	6,054,334	2,221,144	2,054,201	4,585,969	-	14,915,648
Net assets, end of year	\$ -	\$ 2,617,981	\$ 1,951,131	\$ 4,888,329	\$ 326,243	\$ 9,783,684

CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Sanitation Refuse Fund	Total
Operating Activities:					
Cash received from customers	\$ 141,120	\$ 799,947	\$ 2,958,255	\$ 5,424,854	\$ 9,324,176
Cash paid to vendors	(807,516)	(468,923)	(1,374,682)	(4,482,898)	(7,134,019)
Cash paid to employees	(466,056)	(362,073)	(1,019,816)	(406,814)	(2,254,759)
Net cash provided by (used in) operating activities	(1,132,452)	(31,049)	563,757	535,142	(64,602)
Non-Capital Financing Activities:					
Transfer from other funds	468,990	8,000	-	-	476,990
Change in due from other funds	-	187,545	596,852	(426,908)	357,489
Net cash provided by (used in) non-capital financing activities	468,990	195,545	596,852	(426,908)	834,479
Capital and Related Financing Activities:					
Repayment of principal of long-term debt	-	(144,105)	(124,587)	(23,162)	(291,854)
Capital grants	1,498,945	-	18,431	19,910	1,537,286
Interest paid	-	(20,672)	(219,144)	(447)	(240,263)
Acquisition and construction of capital assets	(639,460)	281	(361,123)	(104,539)	(1,104,841)
Net cash provided by (used in) capital and related financing activities	859,485	(164,496)	(686,423)	(108,238)	(99,672)
Investing Activities:					
Interest received on investments	1,438	-	45,126	4	46,568
Net cash provided by (used in) investing activities	1,438	-	45,126	4	46,568
Net increase in cash and cash equivalents	197,461	-	519,312	-	716,773
Cash and Cash Equivalents/Investments:					
Beginning of year	1,094,394	-	5,817,871	-	6,912,265
End of year	\$ 1,291,855	\$ -	\$ 6,337,183	\$ -	\$ 7,629,038
Reconciliation of Operating Income (loss) to Net Cash Provided by (used in) Operating Activities:					
Operating income (loss)	\$ (1,570,541)	\$ (90,398)	\$ 460,210	\$ (532,890)	(1,733,619)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	432,045	32,340	67,705	249,154	781,244
Change in Assets and Liabilities:					
Accounts receivable	(77,297)	-	20,067	(385,322)	(442,552)
Inventory	-	(3)	-	-	(3)
Accounts payable and accrued expenses	37,899	5,686	(70,187)	100,146	73,544
Deferred revenues	-	-	(20,068)	385,022	364,954
Compensated absences	4,398	804	-	191,526	196,728
Other post employment benefits accrual	41,044	20,522	106,030	527,506	695,102
Net cash provided by (used in) operating activities	\$ (1,132,452)	\$ (31,049)	\$ 563,757	\$ 535,142	\$ (64,602)

Noncash Transactions:

In 2009, the City Council agreed to absorb the Greenville Aquatics and Fitness Center into the Recreation and Parks Department budget within the General Fund. Net assets of \$6,054,334 were transferred to the General Fund.

CITY OF GREENVILLE, NORTH CAROLINA

**AQUATICS AND FITNESS CENTER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 599,859
Investment earnings	-	-	-	474
Grants and contributions	-	-	-	19,180
Total operating revenues	-	-	-	619,513
Expenditures:				
Operations and maintenance		-		226,234
Salaries and benefits		-		433,818
Capital outlay		-		71,252
Total operating expenses	-	-	-	731,304
Revenues over (under) expenditures	-	-	-	(111,791)
Other Financing Sources (Uses):				
Transfers out	(6,054,334)	(6,054,334)	-	-
Appropriated fund balance	6,054,334	-	(6,054,334)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(6,054,334)	\$ (6,054,334)	\$ (111,791)
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Change in net assets - GAAP basis			\$ (6,054,334)	

CITY OF GREENVILLE, NORTH CAROLINA

**PUBLIC TRANSPORTATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Charges for services	\$ 159,765	\$ 216,686	\$ 56,921	\$ 183,479
Public transportation planning and operating grants	1,624,464	1,499,320	(125,144)	698,747
Investment earnings	2,710	1,438	(1,272)	4,289
Other operating revenues	893	1,731	838	1,087
Total operating revenue	<u>1,787,832</u>	<u>1,719,175</u>	<u>(68,657)</u>	<u>887,602</u>
Expenditures:				
Administrative and general		21,327		21,101
Operations and maintenance		198,048		199,053
Salaries and benefits		747,001		692,159
Capital outlay		988,953		152,514
Total operating expenses	<u>2,179,273</u>	<u>1,955,329</u>	<u>223,944</u>	<u>1,064,827</u>
Revenues over (under) expenditures	<u>(391,441)</u>	<u>(236,154)</u>	<u>155,287</u>	<u>(177,225)</u>
Other Financing Sources (Uses):				
Transfers from General Fund	<u>391,441</u>	<u>468,990</u>	<u>77,549</u>	<u>339,158</u>
Total other financing sources (uses)	<u>391,441</u>	<u>468,990</u>	<u>77,549</u>	<u>339,158</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>232,836</u>	<u>\$ 232,836</u>	<u>\$ 161,933</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(432,045)		
Capitalized expenditures		639,460		
Change in OPEB liability		(41,044)		
Loss on disposal of capital assets		<u>(2,370)</u>		
Change in net assets - GAAP basis		<u>\$ 396,837</u>		

CITY OF GREENVILLE, NORTH CAROLINA

**BRADFORD CREEK GOLF COURSE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Charges for services	\$ 953,097	\$ 799,943	\$ (153,154)	\$ 876,662
Other operating revenues	-	4	4	-
Total operating revenue	<u>953,097</u>	<u>799,947</u>	<u>(153,150)</u>	<u>876,662</u>
Expenditures:				
Operations and maintenance		405,863		365,541
Salaries and benefits		431,620		437,613
Retirement of long-term debt		144,105		144,105
Interest expense		20,672		25,024
Total operating expenses	<u>961,097</u>	<u>1,002,260</u>	<u>(41,163)</u>	<u>972,283</u>
Revenues over (under) expenditures	<u>(8,000)</u>	<u>(202,313)</u>	<u>(194,313)</u>	<u>(95,621)</u>
Other Financing Sources (Uses):				
Transfers in	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(194,313)</u>	<u>\$ (194,313)</u>	<u>\$ (95,621)</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(32,340)		
Change in OPEB liability		(20,522)		
Retirement of long-term debt		<u>144,105</u>		
Change in net assets - GAAP basis		<u>\$ (103,070)</u>		

CITY OF GREENVILLE, NORTH CAROLINA

STORMWATER UTILITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Charges for services	\$ 2,914,236	\$ 2,958,256	\$ 44,020	\$ 2,932,715
Grant revenue	-	18,431	18,431	-
Investment earnings	58,284	14,154	(44,130)	34,154
Total operating revenues	<u>2,972,520</u>	<u>2,990,841</u>	<u>18,321</u>	<u>2,966,869</u>
Expenditures:				
Operations and maintenance		1,969,712		1,883,682
Salaries and benefits		62,638		56,002
Capital outlay		230,889		8,568
Retirement of long-term debt		124,587		96,721
Interest paid		219,144		260,059
Indirect Cost Reimbursement		240,995		-
Total operating expenses	<u>4,980,305</u>	<u>2,847,965</u>	<u>2,132,340</u>	<u>2,305,032</u>
Revenues over (under) expenditures	<u>(2,007,785)</u>	<u>142,876</u>	<u>2,150,661</u>	<u>661,837</u>
Other Financing Sources (Uses):				
Transfer to other funds	(420,995)	-	420,995	(403,700)
Contingency	<u>2,428,780</u>	-	<u>(2,428,780)</u>	-
Total other financing sources (uses)	<u>2,007,785</u>	-	<u>(2,007,785)</u>	<u>(403,700)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>142,876</u>	<u>\$ 142,876</u>	<u>\$ 258,137</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(67,705)		
Gain (loss) on disposal of capital assets		(2,263)		
Capital project revenues		30,972		
Other capital project activity				
Capitalized capital project expenditures		-		
Capital asset additions		179,923		
Change in OPEB liability		(106,030)		
Retirement of long-term debt		<u>124,587</u>		
Change in net assets - GAAP basis		<u>\$ 302,360</u>		

CITY OF GREENVILLE, NORTH CAROLINA

**STORMWATER DRAINAGE CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 204,000	\$ 271,410	\$ 30,972	\$ 302,382
Other income	-	-	-	-
Total revenues	<u>204,000</u>	<u>271,410</u>	<u>30,972</u>	<u>302,382</u>
Expenditures:				
Stormwater drainage projects	5,384,232	3,250,296	181,200	3,431,496
Total expenditures	<u>5,384,232</u>	<u>3,250,296</u>	<u>181,200</u>	<u>3,431,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,180,232)</u>	<u>(2,978,886)</u>	<u>(150,228)</u>	<u>(3,129,114)</u>
Other Financing Sources (Uses):				
Premium received on debt issue	-	22,607	-	22,607
Bonds issued	5,100,000	5,100,000	-	5,100,000
Transfers in	80,232	-	-	-
Total other financing sources (uses)	<u>5,180,232</u>	<u>5,122,607</u>	<u>-</u>	<u>5,122,607</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,143,721</u>	<u>\$ (150,228)</u>	<u>\$ 1,993,493</u>

CITY OF GREENVILLE, NORTH CAROLINA

SANITATION REFUSE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009

	2009		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for services	\$ 5,377,897	\$ 5,396,142	\$ 18,245
Grant revenue	10,000	19,910	9,910
Investment earnings	91,000	4	(90,996)
Other revenue	33,000	29,012	(3,988)
Total operating revenues	<u>5,511,897</u>	<u>5,445,068</u>	<u>(66,829)</u>
Expenditures:			
Operations and maintenance		1,175,525	
Salaries and benefits		3,723,613	
Capital outlay		126,294	
Retirement of long-term debt		23,162	
Interest paid		447	
Indirect Cost Reimbursement		260,491	
Total operating expenses	<u>5,376,406</u>	<u>5,309,532</u>	<u>66,874</u>
Revenues over (under) expenditures	<u>135,491</u>	<u>135,536</u>	<u>45</u>
Other Financing Sources (Uses):			
Long term debt issued	125,000	-	(125,000)
Transfers to General Fund	(260,491)	-	260,491
Total other financing sources (uses)	<u>(135,491)</u>	<u>-</u>	<u>135,491</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>135,536</u>	<u>\$ 135,536</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:			
Depreciation		(249,154)	
Contributed Capital		839,666	
Capital asset additions		104,539	
Change in OPEB liability		(527,506)	
Retirement of long-term debt		23,162	
Change in net assets - GAAP basis		<u>\$ 326,243</u>	

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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.

DENTAL REIMBURSEMENT FUND

The Dental Reimbursement Fund is established to account for the financing of the City's dental insurance program.

VEHICLE REPLACEMENT FUND

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

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Schedule F-1

CITY OF GREENVILLE, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	Dental Reimbursement Fund	Vehicle Replacement Fund	Total
Assets:			
Current Assets:			
Cash, cash equivalents, and investments	\$ 9,334	\$ 3,483,684	\$ 3,493,018
Total current assets	<u>9,334</u>	<u>3,483,684</u>	<u>3,493,018</u>
Noncurrent Assets:			
Other capital assets, net	<u>-</u>	<u>4,016,823</u>	<u>4,016,823</u>
Total assets	<u>9,334</u>	<u>7,500,507</u>	<u>7,509,841</u>
Liabilities and Net Assets:			
Current Liabilities:			
Due to other funds	<u>53,548</u>	<u>-</u>	<u>53,548</u>
Total current liabilities	<u>53,548</u>	<u>-</u>	<u>53,548</u>
Net Assets:			
Investment in capital assets	-	4,016,823	4,016,823
Unrestricted net assets	<u>(44,214)</u>	<u>3,483,684</u>	<u>3,439,470</u>
Total net assets	<u>\$ (44,214)</u>	<u>\$ 7,500,507</u>	<u>\$ 7,456,293</u>

CITY OF GREENVILLE, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009**

	Dental Reimbursement Fund	Vehicle Replacement Fund	Total
Operating Revenues:			
Charges for services	\$ 212,030	\$ 2,568,062	\$ 2,780,092
Other operating revenues	-	107,513	107,513
Total operating revenues	<u>212,030</u>	<u>2,675,575</u>	<u>2,887,605</u>
Operating Expenses:			
Operations and maintenance	-	213,458	213,458
Depreciation	-	446,808	446,808
Claims	204,619	-	204,619
Total operating expenses	<u>204,619</u>	<u>660,266</u>	<u>864,885</u>
Operating income (loss)	<u>7,411</u>	<u>2,015,309</u>	<u>2,022,720</u>
Non-Operating Revenues (Expenses):			
Investment earnings	93	5,719	5,812
Loss on disposal of capital assets	-	(8,448)	(8,448)
Total non-operating revenue (expenses)	<u>93</u>	<u>(2,729)</u>	<u>(2,636)</u>
Income (loss) before transfers and contributions	7,504	2,012,580	2,020,084
Transfers In (Out) and Capital Contributions:			
Transfers from other funds	-	32,234	32,234
Transfers to other funds	-	(588,630)	(588,630)
Change in net assets	7,504	1,456,184	1,463,688
Net Assets:			
Beginning of year - July 1st	(51,718)	4,848,361	4,796,643
Prior period adjustment	-	1,195,962	1,195,962
Beginning of year - restated	<u>(51,718)</u>	<u>6,044,323</u>	<u>5,992,605</u>
End of year - June 30th	<u>\$ (44,214)</u>	<u>\$ 7,500,507</u>	<u>\$ 7,456,293</u>

CITY OF GREENVILLE, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Dental Reimbursement Fund	Vehicle Replacement Fund	Total
Operating Activities:			
Cash received from customers	\$ 212,030	\$ 2,675,576	\$ 2,887,606
Cash paid to vendors	(204,619)	(1,410,465)	(1,615,084)
Net cash provided by (used in) operating activities	<u>7,411</u>	<u>1,265,111</u>	<u>1,272,522</u>
Non-Capital Financing Activities:			
Transfer from (to) other funds	-	32,234	32,234
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>32,234</u>	<u>32,234</u>
Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(1,899,967)	(1,899,967)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,899,967)</u>	<u>(1,899,967)</u>
Investing Activities:			
Interest received on investments	93	5,719	5,812
Net cash provided by (used in) investing activities	<u>93</u>	<u>5,719</u>	<u>5,812</u>
Net increase (decrease) in cash and cash equivalents/investments	7,504	(596,903)	(589,399)
Cash and Cash Equivalents/Investments			
Beginning of year - July 1st	<u>1,830</u>	<u>4,080,587</u>	<u>4,082,417</u>
End of year - June 30th	<u>\$ 9,334</u>	<u>\$ 3,483,684</u>	<u>\$ 3,493,018</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 7,411	\$ 2,015,309	\$ 2,022,720
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	-	446,808	446,808
Change in Assets and Liabilities:			
Increase (decrease) in accounts payable	<u>-</u>	<u>(1,197,006)</u>	<u>(1,197,006)</u>
Net cash provided by (used in) operating activities	<u>\$ 7,411</u>	<u>\$ 1,265,111</u>	<u>\$ 1,272,522</u>

CITY OF GREENVILLE, NORTH CAROLINA

JOINT DENTAL REIMBURSEMENT INTERNAL SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
 (USES) - PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2009

	2009		Variance Positive (Negative)
	Plan	Actual	
Revenues:			
Charges for services	\$ 235,357	\$ 212,030	\$ (23,327)
Investment earnings	-	93	93
Total operating revenue	<u>235,357</u>	<u>212,123</u>	<u>(23,234)</u>
Expenditures:			
Claims			
Total operating expenses	<u>235,357</u>	<u>204,619</u>	<u>30,738</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 7,504</u>	<u>\$ 7,504</u>

Schedule F-5

CITY OF GREENVILLE, NORTH CAROLINA

VEHICLE REPLACEMENT INTERNAL SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
 (USES) - PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2009

	2009		Variance Positive (Negative)
	Plan	Actual	
Revenues:			
Charges for services	\$ 2,561,160	\$ 2,568,062	\$ 6,902
Investment earnings	50,000	5,719	(44,281)
Other operating revenues	-	107,513	107,513
Total operating revenue	<u>2,611,160</u>	<u>2,681,294</u>	<u>70,134</u>
Expenditures:			
Operations and maintenance	<u>3,692,762</u>	<u>2,113,425</u>	<u>1,579,337</u>
Revenues over (under) expenditures	(1,081,602)	567,869	1,649,471
Other Financing Sources (Uses):			
Transfers in	32,234	32,234	-
Fund balance appropriated	2,201,478	-	(2,201,478)
Contingency	(1,152,110)	-	1,152,110
Total other financing sources (uses)	<u>1,081,602</u>	<u>32,234</u>	<u>(1,049,368)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>600,103</u>	<u>\$ 600,103</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:			
Depreciation		(446,808)	
Loss on disposal of capital assets		(8,448)	
Capital asset purchased		1,899,967	
Capital assets transferred to other funds		<u>(588,630)</u>	
Change in net assets - GAAP basis		<u>\$ 1,456,184</u>	

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DEBT SERVICE FUND

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

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes	\$ 535,415	\$ 533,571	\$ (1,844)
Investment earnings	-	33,030	33,030
Total revenues	<u>535,415</u>	<u>566,601</u>	<u>31,186</u>
Expenditures:			
Current:			
Principal retirement	12,260,819	10,636,000	1,624,819
Interest and fees	1,439,741	1,439,741	-
Total operating expenses	<u>13,700,560</u>	<u>12,075,741</u>	<u>1,624,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,165,145)</u>	<u>(11,509,140)</u>	<u>1,656,005</u>
Other Financing Sources (Uses):			
Transfers in	4,645,145	11,619,408	(6,974,263)
Appropriated fund balance	8,520,000	-	8,520,000
Total other financing sources (uses)	<u>13,165,145</u>	<u>11,619,408</u>	<u>1,545,737</u>
Change in fund balances	<u>\$ -</u>	<u>\$ 110,268</u>	<u>\$ 110,268</u>

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.

CONTENTS PAGES

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.

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Table 1

City of Greenville
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related de	\$ 39,714	\$ 39,947	\$ 45,056	\$ 38,196	\$ 83,851	\$ 81,844	\$ 89,239	\$ 98,830
Restricted	334	383	416	1,243	1,223	1,572	2,889	2,053
Unrestricted	22,973	27,703	25,704	44,355	40,333	49,998	42,823	44,182
Total Governmental activities net assets	\$ 63,021	\$ 68,033	\$ 71,176	\$ 83,794	\$ 125,407	\$ 133,414	\$ 134,951	\$ 145,065
Business-type activities								
Invested in capital assets, net of related de	\$ 168,376	\$ 182,803	\$ 184,616	\$ 198,000	\$ 207,485	\$ 219,968	\$ 229,538	\$ 235,068
Unrestricted	52,029	49,837	55,442	50,194	54,312	61,850	64,285	63,578
Total business-type activities net assets	\$ 220,405	\$ 232,640	\$ 240,058	\$ 248,194	\$ 261,797	\$ 281,818	\$ 293,823	\$ 298,646
Primary government								
Invested in capital assets, net of related de	\$ 208,090	\$ 222,750	\$ 229,672	\$ 236,196	\$ 291,336	\$ 301,812	\$ 318,777	\$ 333,898
Restricted	334	383	416	1,243	1,223	1,572	2,889	2,053
Unrestricted	75,002	77,540	81,146	94,549	94,646	111,848	107,108	107,760
Total primary government net assets	\$ 283,426	\$ 300,673	\$ 311,234	\$ 331,988	\$ 387,205	\$ 415,232	\$ 428,774	\$ 443,711

Note: Net Asset information not available for years 1998-2001. GASB 34 Implementation in 2002

City of Greenville
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
General government	\$ 11,108	\$ 11,115	\$ 12,750	\$ 13,023	\$ 16,353	\$ 18,144	\$ 16,290	\$ 12,826
Public safety	19,998	20,493	21,925	23,705	23,624	28,366	29,719	32,621
Transportation	5,793	4,503	3,543	2,897	5,720	3,190	9,703	8,253
Environmental protection	3,058	3,172	3,290	3,568	3,855	4,295	4,366	1,068
Economic development	7,568	6,197	7,698	1,932	7,652	3,528	5,139	6,006
Culture and recreation	5,731	4,006	2,125	6,626	5,044	4,926	6,690	10,360
Interest on long-term debt	1,575	1,317	1,168	1,697	1,714	1,937	1,788	1,440
Total governmental activities expenses	\$ 54,831	\$ 50,803	\$ 52,499	\$ 53,448	\$ 63,962	\$ 64,386	\$ 73,695	\$ 72,574
Business-type activities:								
Electric	\$ 115,479	\$ 126,098	\$ 130,598	\$ 133,698	\$ 148,006	\$ 157,151	\$ 163,119	\$ 183,301
Water	8,825	9,023	10,019	12,302	11,584	11,836	13,170	14,437
Sewer	9,748	10,053	10,233	10,931	12,227	12,800	12,972	14,524
Gas	16,653	19,383	22,752	28,357	36,630	37,068	38,148	38,330
Public Transportation	864	830	919	1,000	1,366	1,389	1,412	1,791
Bradford Creek	896	809	791	825	841	871	878	911
Stormwater Utility	-	133	1,277	1,546	1,704	1,848	2,367	2,720
Sanitation	-	-	-	-	-	-	-	5,959
Total business-type activities	\$ 152,465	\$ 166,329	\$ 176,589	\$ 188,659	\$ 212,358	\$ 222,963	\$ 232,066	\$ 261,973
Total primary governmental expenses	\$ 207,296	\$ 217,132	\$ 229,088	\$ 242,107	\$ 276,320	\$ 287,349	\$ 305,761	\$ 334,547
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 1,547	\$ 1,387	\$ 1,583	\$ 3,328	\$ 4,109	\$ 4,392	\$ 4,112	\$ 2,323
Public safety	2,210	2,486	2,603	2,518	3,811	4,189	3,709	4,221
Transportation	1,148	1,060	1,049	161	311	275	210	264
Environmental protection	2,694	3,655	3,984	3,881	3,719	4,004	4,634	81
Economic development	434	422	455	876	505	668	768	1,280
Culture and recreation	20	12	9	356	24	31	516	19
Operating grants and contributions	3,425	3,078	3,564	3,772	4,538	4,578	3,101	3,952
Capital grants and contributions	14,264	6,553	3,085	2,770	3,360	3,022	3,691	5,657
Total governmental activities program revenue	\$ 25,742	\$ 18,653	\$ 16,332	\$ 17,662	\$ 20,377	\$ 21,159	\$ 20,741	\$ 17,797
Business-type activities:								
Charges for services:								
Electric	\$ 121,460	\$ 131,900	\$ 136,506	\$ 138,528	\$ 154,577	\$ 164,380	\$ 168,993	\$ 187,204
Water	9,398	9,498	9,670	10,298	11,557	11,977	13,714	13,955
Sewer	10,171	10,105	11,486	12,206	12,833	13,613	14,111	14,310
Gas	19,312	21,981	24,208	30,896	37,219	38,267	41,109	44,476
Public Transportation	90	91	115	114	132	166	185	218
Bradford Creek	945	778	848	885	850	843	876	800
Stormwater Utility	-	-	1,919	2,669	2,944	2,823	2,933	2,958
Sanitation	-	-	-	-	-	-	-	5,427

City of Greenville
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Operating grants and contributions	646	3,150	569	1,081	930	699	1,538
Capital grants and contributions	2,125	1,720	372	7,043	12,350	5,074	5,301
Total business-type activities program revenue	\$ 164,147	\$ 179,223	\$ 185,693	\$ 228,236	\$ 245,349	\$ 247,694	\$ 276,187
Total primary governmental program revenue	\$ 189,889	\$ 197,876	\$ 202,025	\$ 217,277	\$ 266,508	\$ 268,435	\$ 293,984
Net (expense)/revenue							
Governmental activities	\$ (29,089)	\$ (32,150)	\$ (36,167)	\$ (43,585)	\$ (43,227)	\$ (52,954)	\$ (54,777)
Business-type activities	11,682	12,894	9,104	15,878	22,386	15,628	14,214
Total primary governmental net expense	\$ (17,407)	\$ (19,256)	\$ (27,063)	\$ (27,707)	\$ (20,841)	\$ (37,326)	\$ (40,563)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 17,585	\$ 18,440	\$ 18,624	\$ 21,439	\$ 22,965	\$ 26,033	\$ 29,461
Other Taxes, grants and contributions	11,773	13,777	15,138	16,469	18,466	20,712	20,915
Investment earnings	852	342	283	964	1,908	2,765	2,455
Miscellaneous	709	1,151	662	-	-	-	-
Transfers	3,634	3,450	4,601	4,145	4,349	5,039	10,864
Total General revenues	\$ 34,553	\$ 37,160	\$ 39,308	\$ 43,017	\$ 47,688	\$ 54,490	\$ 63,695
Business-type activities:							
Unrestricted grants and contributions	\$ 9	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	3,001	1,330	501	1,341	2,097	3,088	1,472
Miscellaneous	2,525	1,593	2,426	-	-	-	-
Transfers	(3,634)	(3,450)	(4,601)	(4,145)	(4,349)	(5,039)	(10,864)
Total business-type activities	\$ 1,901	\$ (520)	\$ (1,674)	\$ (2,804)	\$ (1,381)	\$ (2,662)	\$ (9,392)
Total primary government	\$ 36,454	\$ 36,640	\$ 37,634	\$ 40,213	\$ 45,436	\$ 51,828	\$ 54,303
Change in Net Assets							
Governmental activities	\$ 5,464	\$ 5,010	\$ 3,141	\$ 7,231	\$ 4,103	\$ 1,536	\$ 8,918
Business-type activities	13,583	12,374	7,430	8,152	13,626	12,966	4,822
Total primary government	\$ 19,047	\$ 17,384	\$ 10,571	\$ 15,383	\$ 17,729	\$ 14,502	\$ 13,740

Note 1: Net Asset information not available for years 1998-2001. GASB 34 Implementation in 2002

Note 2: Environmental Protection balances show significant decrease due to the change in accounting for the Sanitation Division. Amounts are not categorized as Business-Type

Table 3

City of Greenville
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 9,424	\$ 10,785	\$ 9,955	\$ 9,549	\$ 8,726	\$ 9,749	\$ 10,379	\$ 10,002	\$ 11,315	\$ 9,671
Unreserved	7,124	5,779	7,192	10,930	14,305	16,773	18,299	17,457	15,657	18,396
Total General Fund	\$ 16,548	\$ 16,564	\$ 17,147	\$ 20,479	\$ 23,031	\$ 26,522	\$ 28,678	\$ 27,459	\$ 26,972	\$ 28,067
All other governmental funds										
Reserved	\$ 3,419	\$ 6,285	\$ 704	\$ 62	\$ 87	\$ 83	\$ 761	\$ 123	\$ 108	\$ 116
Unreserved, reported in:										
Special revenue funds	6,181	5,872	5,674	5,091	5,230	7,158	7,965	9,430	6,901	5,990
Debt Service Funds	-	310	334	383	2,734	11,775	1,409	1,756	806	916
Capital Project Funds	6,317	7,668	2,859	3,688	416	1,313	3,622	9,333	11,822	14,166
Total all other governmental funds	\$ 15,917	\$ 20,135	\$ 9,571	\$ 9,224	\$ 8,467	\$ 20,329	\$ 13,757	\$ 20,642	\$ 19,637	\$ 21,188
Total Governmental funds	\$ 32,465	\$ 36,699	\$ 26,718	\$ 29,703	\$ 31,498	\$ 46,851	\$ 42,435	\$ 48,101	\$ 46,609	\$ 49,255

Table 4

City of Greenville
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Ad Valorem Taxes	\$ 14,214	\$ 14,792	\$ 17,185	\$ 18,297	\$ 19,031	\$ 21,325	\$ 22,565	\$ 23,896	\$ 26,296	\$ 29,715
Other Taxes	8,692	8,832	9,556	9,918	11,307	12,484	14,227	15,002	15,794	15,355
Unrestricted Intergovernmental	3,696	4,069	2,217	3,859	3,832	3,985	4,239	4,706	4,918	5,560
Restricted Intergovernmental	6,324	5,317	17,672	9,631	6,649	6,542	7,683	6,331	6,509	10,031
Licenses, Permits and fees	4,067	5,175	5,409	6,220	6,699	7,199	7,687	7,927	7,742	2,398
Sales and Services	2,216	2,817	2,885	2,908	2,984	4,051	4,023	4,360	5,474	5,604
Investment Earning	1,401	1,213	852	342	283	962	1,906	2,743	2,685	2,450
Other Revenue	2,638	23,228	613	968	662	623	729	1,941	725	424
Total revenues	\$ 43,248	\$ 65,443	\$ 56,389	\$ 52,143	\$ 51,447	\$ 57,171	\$ 63,059	\$ 66,906	\$ 70,143	\$ 71,537
Expenditures										
General government	\$ 11,491	\$ 11,343	\$ 10,861	\$ 10,470	\$ 11,693	\$ 13,022	\$ 14,609	\$ 8,451	\$ 8,843	\$ 8,991
Public safety	18,311	20,250	20,004	20,076	21,631	23,763	26,332	27,363	29,553	32,747
Public works	4,758	3,623	3,820	3,331	3,393	3,465	3,803	8,385	8,893	8,874
Environmental Protection	3,657	3,002	3,160	3,060	3,561	3,367	3,740	3,950	4,162	-
Cultural and Recreation	5,197	5,301	4,861	4,888	5,600	6,129	6,732	3,938	3,653	3,886
Economic and physical development	991	1,396	1,814	1,835	2,125	1,932	2,382	6,219	6,733	7,560
Capital Outlay	11,083	25,674	23,699	7,349	4,006	7,978	10,274	7,471	8,158	11,454
Reimbursement of indirect cost	-	-	-	-	-	-	-	-	-	(528)
Contribution to OPEB Trust	-	-	-	-	-	-	-	-	-	250
Debt service										
Principal	\$ 1,681	\$ 1,698	\$ 2,639	\$ 2,549	\$ 2,576	\$ 3,612	\$ 3,904	\$ 3,693	\$ 4,108	\$ 10,636
Interest and fees	1,025	982	1,029	1,272	1,165	1,697	1,714	1,967	1,787	1,440
Other charges	-	-	-	72	-	-	-	-	-	-
Total expenditures	\$ 58,194	\$ 73,269	\$ 71,887	\$ 54,902	\$ 55,750	\$ 64,965	\$ 73,490	\$ 71,152	\$ 76,175	\$ 85,310
Excess of revenues over (under) expenditures	\$ (14,946)	\$ (7,826)	\$ (15,498)	\$ (2,759)	\$ (4,303)	\$ (7,794)	\$ (10,431)	\$ (4,246)	\$ (6,032)	\$ (13,773)
Other financing sources (uses)										
Transfers from other funds	\$ 9,542	\$ 8,360	\$ 8,300	\$ 10,221	\$ 10,884	\$ 13,148	\$ 15,331	\$ 14,519	\$ 23,048	\$ 23,854
Transfers to other funds	(5,412)	(4,621)	(4,666)	(6,771)	(6,282)	(9,002)	(10,982)	(12,488)	(18,509)	(19,124)
Sale of Property	-	-	-	-	-	-	-	-	-	175
Long Term debt issued	486	8,322	1,805	2,293	1,496	18,396	1,667	7,645	-	12,014
Total other financing sources (uses)	\$ 4,616	\$ 12,061	\$ 5,439	\$ 5,743	\$ 6,098	\$ 22,542	\$ 6,016	\$ 9,676	\$ 4,539	\$ 16,919
Net change in fund balances	\$ (10,330)	\$ 4,235	\$ (10,059)	\$ 2,984	\$ 1,795	\$ 14,748	\$ (4,415)	\$ 5,430	\$ (1,493)	\$ 3,146
Debt services as a percentage of noncapital expenditures	6.1%	6.0%	8.2%	8.8%	7.8%	10.3%	9.8%	9.8%	9.5%	19.5%

Table 5

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

Fiscal Year	Electric kWh Sold		Water Kgal Sold		Gas ccf Sold	
	Residential	Commercial & Industrial	Residential	Commercial & Industrial	Residential	Commercial & Industrial
2000	535,407,570	873,711,374	1,984,092	1,454,974	7,115,856	17,035,541
2001	553,403,919	894,530,257	1,852,476	1,353,769	8,044,267	13,035,894
2002	536,391,466	893,732,885	1,920,024	1,358,111	6,348,872	14,399,275
2003	592,984,144	912,641,446	1,833,556	1,343,366	8,524,065	14,878,955
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

Table 6

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

Fiscal Year Ended June 30	Real Property		Personal Property		Total Taxable Assessed Value	(2) Total Direct Tax Rate	Estimated Actual Taxable/Market Value	(1) Assessed Value as a Percentage of Market Value
	Residential and Commercial Property	Motor Vehicle and Other Personal Property	Motor Vehicle and Other Personal Property	Personal Property				
	2000	2,091,585,301	527,660,798	527,660,798	2,619,246,099	0.0055	2,962,948,076	88.40%
2001	2,142,920,725	569,069,288	569,069,288	2,711,990,013	0.0055	3,162,301,788	85.76%	
2002	2,260,269,501	587,530,809	587,530,809	2,847,800,310	0.0615	3,467,007,925	82.14%	
2003	2,377,777,793	610,040,201	610,040,201	2,987,817,994	0.0615	3,755,899,427	79.55%	
2004	2,486,194,940	621,986,475	621,986,475	3,108,181,415	0.0615	3,898,872,824	79.72%	
2005	3,216,339,298	624,081,173	624,081,173	3,840,420,471	0.0056	3,883,920,379	98.88%	
2006	3,363,220,215	705,595,820	705,595,820	4,068,816,035	0.0056	4,205,494,610	96.75%	
2007	3,926,388,821	580,382,679	580,382,679	4,506,771,500	0.0056	4,866,923,866	92.60%	
2008	4,160,752,821	596,214,107	596,214,107	4,756,966,929	0.0056	5,401,961,082	88.06%	
2009	5,190,768,565	616,651,923	616,651,923	5,807,420,488	0.0052	5,840,125,189	99.44%	

(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

Table 7

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electric (per kWh)										
Residential	\$ 0.0937	\$ 0.0925	\$ 0.0966	\$ 0.0991	\$ 0.1015	\$ 0.1031	\$ 0.1111	\$ 0.1151	\$ 0.1145	\$ 0.1241
Commercial & Industrial	0.0711	0.0715	0.0730	0.0750	0.0769	0.0785	0.0860	0.0897	0.0886	0.0993
Water (per kgal)										
Residential	2.8160	2.8987	3.1499	3.3911	3.4133	3.5513	3.7398	3.7640	4.0708	4.2999
Commercial & Industrial	1.8903	1.9366	2.1105	2.2282	2.2364	2.3560	2.4885	2.4955	2.5912	2.7337
Gas (per ccf)										
Residential	1.0326	1.4305	1.3668	1.2010	1.4087	1.6255	2.0860	1.9046	2.0073	1.8639
Commercial & Industrial	0.5824	0.9294	0.7293	0.7839	0.9665	1.1842	1.4503	1.2560	1.3225	1.4106

Source: Greenville Utilities Commission

Table 8

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

Fiscal Year	City of Greenville		Pitt County		Total County Levy	Total Direct & Overlapping Rates
	Rate Per \$100	Total City Levy	Rate Per \$100	Total County Levy		
2000	0.550	14,244,843	0.680	39,166,137	53,410,980	
2001	0.550	14,716,098	0.680	42,093,619	56,809,717	
2002	0.615	17,426,583	0.680	43,399,920	60,826,503	
2003	0.615	18,295,565	0.680	43,369,414	61,664,979	
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	

* Last date for revaluation. Revaluation occurs every four years

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

Electric Fund	Fiscal Year 2009			Fiscal Year 2000		
	Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Bill	Percentage of Total Revenue
	DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 6,428,776	3.60%	\$ 6,052,343	5.39%
	Pitt County Memorial Hospital	Health Care	4,940,101	2.77%	3,431,711	3.06%
	DSM Dyneema, LLC	High Performance Fibers	4,277,588	2.40%	-	-
	East Carolina University	Education	3,652,941	2.05%	2,668,788	2.38%
	East Carolina University	Education	2,963,914	1.66%	1,354,889	1.21%
	East Carolina University	Health Care	2,871,084	1.61%	1,448,383	1.29%
	Attends Healthcare Products (2)	Medical Products	2,697,377	1.51%	2,214,704	1.97%
	NACCO Material Handling	Fork Lift Trucks	1,062,602	0.60%	-	-
	ASMO of Greenville	Motors	944,825	0.53%	978,494	0.87%
	Metrics Inc	Pharmaceuticals Manufacturing	800,407	0.45%	-	-
	Town of Winterville	Government	-	0.00%	1,906,576	1.70%
	Vermont American Corp.	Drill Bits	-	0.00%	1,236,407	1.10%
	TRW	Steering Components	-	0.00%	1,207,612	1.08%
	Totals		\$ 30,639,615	17.18%	\$ 22,499,907	20.05%
	Water Fund					
	Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
	DSM Pharmaceuticals, Inc. (1)	Pharmaceuticals	\$ 358,479	2.76%	\$ 440,640	5.29%
	Pitt County Memorial Hospital	Health Care	220,505	1.70%	149,409	1.79%
	Town of Winterville	Government	166,263	1.28%	-	-
	DSM Dyneema, LLC	High Performance Fibers	105,421	0.81%	-	-
	Pitt County Memorial Hospital	Health Care	86,253	0.66%	25,869	0.31%
	DSM Dyneema, LLC	High Performance Fibers	72,076	0.55%	-	-
	Greenville Housing Authority	Apartments	69,801	0.54%	50,850	0.61%
	Pitt County	Government	62,752	0.48%	21,621	0.26%
	Fuji Silysia Chemical USA, LTD	Silica Gel	53,907	0.41%	-	-
	Greenville Housing Authority	Apartments	50,986	0.39%	37,372	0.45%
	Karastan Bigelow	Carpet Yarn	-	-	63,064	0.76%
	Rubbermaid Cleaning Products	Household Products	-	-	30,537	0.37%
	Berlin Miles Inc.	Apartments	-	-	26,232	0.31%
	East Carolina University	Health Care	-	-	24,621	0.30%
	Totals		\$ 1,246,443	9.58%	\$ 870,215	10.45%

Table 9
Page 2 of 2

Sewer Fund	Fiscal Year 2009			Fiscal Year 2000		
	Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
	DSM Pharmaceuticals, Inc. (1)	Pharmaceuticals	\$ 549,280	4.16%	\$ 725,519	9.02%
	Pitt County Memorial Hospital	Health Care	334,653	2.54%	228,311	2.84%
	Town of Bethel	Government	197,597	1.50%	-	-
	DSM Dyneema, LLC	High Performance Fibers	131,131	0.99%	-	-
	Pitt County Memorial Hospital	Health Care	130,898	0.99%	39,657	0.49%
	Fuji Silysia Chemical USA, LTD	Silica Gel	86,345	0.65%	-	-
	Greenville Housing Authority	Apartments	75,969	0.58%	53,365	0.66%
	East Carolina University	Health Care	73,827	0.56%	36,425	0.45%
	Pitt County Memorial Hospital	Health Care	73,117	0.55%	-	-
	Pitt County	Government	61,975	0.47%	28,692	0.36%
	Karastan Bigelow	Carpet Yarn	-	-	102,318	1.27%
	Rubbermaid Cleaning Products	Household Products	-	-	49,690	0.62%
	Greenville Housing Authority	Apartments	-	-	42,727	0.53%
	Berlin Miles Inc.	Apartments	-	-	30,117	0.37%
	Totals		\$ 1,714,792	12.99%	\$ 1,336,821	16.61%
Gas Fund	Fiscal Year 2009			Fiscal Year 2000		
Customer	Product/Service	Annual Revenue	Percentage of Total Revenue	Annual Revenue	Percentage of Total Revenue	
	Education	\$ 4,283,144	9.64%	\$ 1,300,984	7.53%	
	Pharmaceuticals	3,054,111	6.88%	1,723,296	9.98%	
	Health Care	2,489,716	5.60%	464,801	2.69%	
	High Performance Fibers	1,833,580	4.13%	-	-	
	Health Care	1,729,956	3.89%	490,411	2.84%	
	High Performance Fibers	1,247,873	2.81%	-	-	
	Health Care	749,539	1.69%	-	-	
	Pharmaceuticals Manufacturing	657,569	1.48%	-	-	
	Asphalt Paving	599,888	1.35%	276,038	1.60%	
	Fork Lift Trucks	593,545	1.34%	-	-	
	Steering Components	-	-	296,385	1.72%	
	Industrial Coatings	-	-	260,768	1.51%	
	Pharmaceuticals	-	-	227,298	1.32%	
	Carpet Yarn	-	-	188,445	1.09%	
	Pharmaceuticals	-	-	152,814	0.88%	
	Totals	\$ 17,238,921	38.81%	\$ 5,381,240	31.16%	

(1) Was formerly Catalytica Pharmaceuticals, Inc.

(2) Was formerly Paper_Pak Products, Inc

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

Table 10

City of Greenville
Principal Property Taxpayers
12/31/2008 for Fiscal Year 2009

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
North Campus Crossing Sprint	\$ 45,418,511	1	1.01%	\$ 32,000,000	1	0.00%
Marelda Greenville Mall / Colonial Mall	41,894,700	2	0.93%	23,631,000	2	0.00%
Colonial Realty LP (Plaza)	38,903,531	3		16,924,000	3	0.00%
Carolina Telephone Wachovia	28,487,163	4	0.63%	16,173,000	4	0.00%
Corridor Greenville LLC	21,836,822	5		13,078,000	5	0.00%
Pirates Cove of Greenville Southeast Region (Pirates Cove)	21,814,029	6	0.48%	\$ 12,107,000	6	0.00%
Speight, Joseph D.	20,772,995	7	0.46%	10,459,000	7	0.00%
PL Greenville LP (Bellamy)	20,710,833	8		10,096,000	8	0.00%
Treybrook, LLC (Apartments)	20,275,400	9	0.45%	10,358,000	9	0.00%
Waterford Place Apartment (I, II, III, & IV)	19,034,512	10	0.42%	9,850,000	10	0.42%
Heritage Property Investments (Shopping Center)						
Centro Heritage UC Greenville (University Commons)						
Shadow Lake Properties (Carolina East Mall)						
Lowes Home Centers (Two Locations)						
Walmart						
Treybrook LLC (I & II)						
Ward Family, LLC						
Totals	\$ 279,148,496		6.86%	\$ 154,676,000		7.15%

Note: Information obtained from Pitt County Government

Table 11

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

Fiscal Year	***	*	Alcoholic	***	Total
	Property Tax	Franchise Tax	Beverage Tax	Other Taxes	
2000	14,214,513	3,150,113	246,406	1,115,447	26,644,138
2001	14,791,816	3,580,664	254,221	1,214,582	27,811,125
2002	17,184,908	2,303,736	-	1,222,674	28,783,081
2003	18,297,257	4,047,097	258,879	832,940	32,208,779
2004	19,031,401	4,086,532	272,651	864,077	34,365,704
2005	21,324,960	4,121,389	291,246	868,001	38,020,274
2006	22,564,688	4,729,698	298,254	782,888	41,068,823
2007	23,896,190 **	5,068,888	311,689	107,038	42,976,602
2008	26,295,736	5,190,851	332,734	108,852	46,250,046
2009	29,715,153	6,104,795	345,500	104,950	49,822,972

* Franchise Tax includes Cable TV and Utilities Franchise taxes

** Includes Motor Vehicle Municipality 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

Table 12

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

Fiscal Year Ended	Fiscal Year Total Levy for	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2000	14,244,843	13,747,058	96.51%	470,797		14,217,855	99.81%
2001	14,716,098	14,070,832	95.62%	571,346		14,642,178	99.50%
2002	17,426,583	16,538,241	94.90%	436,742		16,974,983	97.41%
2003	18,295,565	17,434,864	95.30%	543,743		17,978,607	98.27%
2004	19,048,466	18,293,964	96.04%	435,674		18,729,638	98.33%
2005	21,426,583	20,592,449	96.11%	542,026		21,134,475	98.64%
2006	22,714,734	21,946,245	96.62%	752,052		22,698,297	99.93%
2007*	25,237,917	24,356,252	96.51%	737,389		25,093,641	99.43%
2008	26,650,553	25,866,384	97.06%	838,605		26,704,989	100.20%
2009	30,211,997	29,330,914	97.08%	812,156		30,143,070	99.77%

(1) Analysis of Current Year Tax and Pitt County Tax Collections Report - Net of Abatements
 * County Records First Year of New Computer Tax Collection Software

Table 13

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				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Certificates of Participation	Installment Purchase Contracts	Revenue Bonds	General Obligation Bonds	Installment Purchase Contracts	Other Debt			
2000	6,994	-	13,505	1,029	65,449	12,951	1,873	-	101,801	3.24%	1,642
2001	7,791	6,800	12,655	1,109	80,289	11,579	1,723	5,694	127,640	3.98%	1,994
2002	7,285	6,640	11,805	2,166	77,809	10,200	1,600	7,920	125,425	3.84%	1,900
2003	8,120	6,405	10,955	2,169	73,422	9,355	1,524	13,996	125,946	3.55%	1,880
2004	7,455	6,160	10,305	2,668	69,219	8,090	1,486	17,757	123,140	3.31%	1,811
2005	6,805	5,905	25,105	3,557	64,846	6,885	1,406	18,201	132,710	3.33%	1,923
2006	6,085	5,640	23,640	3,770	68,271	5,710	1,208	19,669	133,993	3.11%	1,861
2007	12,990	5,365	22,180	2,522	74,136	9,665	992	20,287	148,137	3.27%	2,057
2008	12,150	5,080	20,715	1,004	99,842	8,460	805	18,882	166,938	(1)	2,197
2009	11,315	4,785	12,195	12,182	94,882	7,304	744	19,926	163,333	(1)	2,016

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 the County (Obtained from BEA - US Dept of Commerce). Income information not provided on the City level.

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 14

City of Greenville
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
 (amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property		Per Capita
					Actual Taxable Value of Property	Per Capita	
2000	21,527	-	21,527	0.69%	0.73%	\$ 347	
2001	28,355	244	28,111	0.88%	0.89%	\$ 439	
2002	22,723	287	22,436	0.69%	0.65%	\$ 340	
2003	27,649	291	27,358	0.77%	0.73%	\$ 408	
2004	96,552	366	96,186	2.59%	2.47%	\$ 1,415	
2005	41,372	1,313	40,059	1.00%	1.03%	\$ 581	
2006	39,135	1,409	37,726	0.88%	0.90%	\$ 524	
2007	43,057	1,756	41,301	0.91%	0.85%	\$ 574	
2008	38,949	806	38,143	(1)	0.71%	\$ 502	
2009	40,478	916	39,562	(1)	0.68%	\$ 488	

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 not provided on the City level.

Note 3: Population amounts are as of July 1 of the fiscal year.

(1) Information not available for this period

Table 15

City of Greenville
Legal Debt Margin- Governmental Activities
Last Ten Fiscal Years
 (amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 208,571,764	\$ 215,629,766	\$ 226,591,159	\$ 237,647,610	\$ 247,480,906	\$ 304,704,715	\$ 325,000,000	\$ 360,000,000	\$ 380,000,000	\$ 464,000,000
Total net debt applicable to limit	36,978,581	34,407,451	33,056,604	32,123,514	34,019,015	47,758,689	39,135,000	43,056,984	38,949,098	40,477,996
Legal debt margin	\$ 171,593,183	\$ 181,222,315	\$ 193,534,555	\$ 205,524,096	\$ 213,461,891	\$ 256,946,026	\$ 285,865,000	\$ 316,943,016	\$ 341,050,902	\$ 423,522,004
al net debt applicable to the limit as a percentage of debt limit	15.96%	15.96%	14.59%	13.52%	13.75%	15.67%	12.04%	11.96%	10.25%	8.72%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	
Debt Limit (8% of total assessed value)	464,000,000
Debt applicable to limit:	
General obligation bonds	11,315,496
Certificates of Participation	12,195,000
Special obligation revenue	4,785,000
Other Debt	12,182,500
Legal debt margin	<u>423,522,004</u>

Note: Under state finance law, the Name of Government's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 16

City of Greenville
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2009
 (amounts expressed in thousands)

Governmental Unit	Net General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Pitt County	\$ 127,893,550	51.54%	\$ 65,916,336
Direct City of Greenville			40,477,947
Total direct and overlapping debt			\$ 106,394,283

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.

Table 17

CITY OF GREENVILLE, NORTH CAROLINA
Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts expressed in Thousands)

Fiscal Year	Utility Fund Revenues (1)	Operating Expenses (2)	Net Revenues Available for		Special Assessment Bonds							
			Debt Service	Debt Service	Debt Service Requirement (3)			Special Assessment			Coverage	
					Principal	Interest	Total	Collections	Debt Service Principal	Debt Service Interest		Coverage
2000	150,376	130,707	19,669	2,163	2,287	4,450	-	-	-	-	-	N/A
2001	162,969	139,022	23,947	2,190	3,237	5,428	-	-	-	-	-	N/A
2002	163,024	137,080	25,944	2,939	3,733	6,673	559	160	374	1.05		
2003	175,453	150,644	24,810	4,256	3,934	8,191	584	235	303	1.09		
2004	183,609	157,695	25,914	4,770	3,829	8,599	571	245	293	1.06		
2005	192,272	167,660	24,611	5,074	3,451	8,525	557	255	284	1.03		
2006	217,706	189,991	27,716	6,050	4,007	10,057	695	265	273	1.29		
2007	229,213	200,430	28,783	5,392	3,624	9,015	661	275	263	1.23		
2008	239,417	208,885	30,531	5,972	3,799	9,772	758	285	252	1.41		
2009	260,505	231,055	29,450	6,375	3,364	9,739	795	295	240	1.03		

(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 18

City of Greenville
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(2) Population	Personal Income		Median Age	School Enrollment	Unemployment Rate
		(amounts expressed in thousands)	Capita Personal Income			
2000	62,432	3,263,091	24,324	32	19,817	5.5%
2001	63,815	3,295,888	24,257	30	20,600	6.1%
2002	65,647	3,372,784	24,476	31	20,412	5.5%
2003	67,048	3,502,422	25,096	31	20,665	5.7%
2004	68,371	3,726,829	26,289	(1)	21,812	5.5%
2005	69,517	3,986,104	27,595	33	22,116	5.1%
2006	72,052	4,310,900	29,031	30	22,609	5.4%
2007	72,233	4,713,839	30,984	(1)	22,994	5.3%
2008	76,058	(1)	(1)	35	23,240	7.5%
2009	81,092	(1)	(1)	32	23,022	10.9%

Note 1: Population and Personal Income obtained from U.S. Census Bureau 2008 Data was provided by the Community Development Department.

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

Information is provided as of July 1 of the fiscal year

**City of Greenville
Principal Employers
Current Year and Nine Years Ago**

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Pitt County Memorial Hospital	6,600	1	9.29%	4,150	1	6.68%
East Carolina University	5,253	2	7.40%	3,700	2	5.96%
DSM Pharmaceuticals (Catalytica)	1,200	3	1.69%	1,400	3	2.25%
NACCO Materials Handling Group	1,200	4	1.69%	1,000	4	1.61%
ASMO Greenville of North Carolina	400	5	0.56%			0.00%
Collins & Aikman				950	5	1.53%
Grady-White	148	6	0.21%			0.00%
Fullarton Computer Industries				600	6	0.97%
Wachovia Bank	330	7	0.46%			0.00%
DIMON International				555	7	0.89%
Overton's Inc.	300	8	0.42%			0.00%
Rubbermaid				500	8	0.81%
ASMO Greenville of North Carolina				500	9	0.81%
Mestek	270	9	0.38%			0.00%
Weyerhaeuser Co.	200	10	0.28%			0.00%
Wachovia Bank				500	10	0.81%
Total	<u>15,901</u>		<u>22.39%</u>			<u>22.31%</u>
			(1)			(1)

Note: Information obtained from Pitt County Development Commission and Employment Securities Commission.

(1) Employment levels for the City unavailable. Percentage based on employment for County.

Table 20

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	50	53	50	51	51	56	59	58	67	74
Public safety										
Police	193	194	194	197	210	212	219	211	223	278
Fire	124	124	124	124	130	142	143	143	145	158
Public Works	174	181	180	185	186	188	192	199	203	205
Culture and recreation	53	62	61	59	59	57	59	61	53	227
Planning and Comm. Dev.	29	36	35	30	25	24	24	32	33	25
Electric	183	185	189	182	181	183	182	196	196	200
Water	80	81	87	92	87	91	92	85	98	102
Sewer	65	66	63	64	67	66	67	67	45	55
Gas	64	65	64	66	68	67	68	65	82	66
	<u>1,015</u>	<u>1,047</u>	<u>1,047</u>	<u>1,050</u>	<u>1,064</u>	<u>1,086</u>	<u>1,105</u>	<u>1,117</u>	<u>1,145</u>	<u>1,390</u>

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

Note: Electric, Water, Sewer, and Gas prior years numbers has changed due to Greenville Utilities Commission add Supporting Departments.

Table 21

City of Greenville
Operating Indicators by Function
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	6,748	4,091	4,380	4,397	4,599	4,722	3,507	4,497	4,756	5,141
Parking violations	*	*	*	*	*	*		2,303	13,392	15,112
Traffic violations	17,702	21,416	23,180	30,163	22,003	11,337	24,508	19,998	18,088	17,527
Fire										
Number of calls answered	2,207	1,948	1,549	3,461	2,530	3,062	3,598	4,152	4,388	4,711
Inspections	3,008	2,832	3,325	3,672	3,500	3,500	3,400	2,162	3,500	2,340
EMS										
Number of calls answered	8,692	8,758	8,857	9,136	9,136	9,190	9,885	10,725	11,198	11,227
Highways and streets										
Street resurfacing (miles)	5	(1)	6	6	5	5	(1)	7	7	6
Sanitation										
Refuse collected (tons/day)	25,073	24,619	24,652	26,375	28,120	25,676	27,182	27,322	27,442	28,458
Recyclables collected (tons/day)	1,865	1,677	1,631	1,839	1,804	1,850	1,792	1,816	3,056	3,030
Culture and recreation										
Facility reservations issued	553	777	349	382	467	393	715	817	916	1,140
Water										
Connections (of service connect)	26,102	26,287	27,426	27,991	28,538	29,540	30,829	32,065	33,051	33,733
Water Lines (miles)	501	516	531	538	550	565	580	593	615	618
(thousands of gallons)										
Wastewater	10,285	10,088	10,579	9,766	9,476	9,845	8,941	10,264	10,797	10,785
Average daily sewage treatment (thousands of gallons)	9,772	9,441	8,299	9,492	9,944	8,895	9,345	10,587	9,152	8,879

Sources: Various government departments.

* Information unavailable

(1) A street resurfacing project was not under taken during this fiscal year.

Table 22

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	101	133	138	151	151	159	160	174	177	
Fire stations	5	5	5	5	5	6	6	6	6	6
Sanitation										
Collection trucks	39	37	38	33	36	36	37	37	37	42
Highways and streets										
Streets (miles)	196.0	204.0	204.0	212.0	212.0	220.0	230.1	234.3	235.0	255.0
Streetlights	4,853	5,171	5,171	5,529	5,529	5,785	5,983	6,166	6,482	6,672
Traffic signals	26	26	26	26	26	26	27	27	33	33
Culture and recreation										
Parks acreage	1,282	1,307	1,308	1,300	1,300	1,475	1,500	1,511	1,120	1,450
Parks	19	20	21	27	27	29	29	29	29	29
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	24	24	24	24	24	24	24	24	24	24
Community centers	7	7	7	11	11	13	13	13	5	5
Recreation Centers	-	-	-	-	-	-	-	-	6	6
Electric										
Number of distribution stations	17	17	17	17	17	17	17	17	18	18
Miles of service lines	1,900	2,300	2,300	2,300	2,384	2,447	2,474	2,509	2,575	2,575
Water										
Water lines (miles)	501	516	531	538	550	565	580	593	615	618
Maximum daily treatment capacity (millions of gallons)	17.0	17.0	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Sewer										
Sanitary sewers (miles)	346	353	364	389	404	423	435	448	464	466
Maximum daily treatment capacity (millions of gallons)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Gas										
Miles of pipeline	433	433	486	500	509	530	545	562	581	593
Miles of service lines	282	282	330	344	359	375	398	394	421	444

SINGLE AUDIT & COMPLIANCE SECTIONS

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

"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*

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

We have audited the basic 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, 2009, which collectively comprise the City of Greenville's basic financial statements, and have issued our report thereon dated September 10, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Greenville's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
September 10, 2009

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

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

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

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

Compliance

We have audited the compliance of the City of Greenville, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Greenville's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings, responses, and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Greenville's management. Our responsibility is to express an opinion on the City of Greenville's compliance based on our audit.

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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Greenville's compliance with those requirements.

In our opinion, the City of Greenville complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
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Internal Control over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Greenville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
September 10, 2009

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

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

Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections Of OMB Circular A-133 And The State Single Audit Implementation Act

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

Compliance

We have audited the compliance of the City of Greenville, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2009. The City of Greenville's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings, responses, and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of City of Greenville's management. Our responsibility is to express an opinion on the City of Greenville's compliance based on our audit.

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; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Greenville's compliance with those requirements.

In our opinion, the City of Greenville complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2009.

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Internal Control over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the City of Greenville's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the City's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
September 10, 2009

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness identified No
- Significant deficiency identified that are not considered to be a material weakness No

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major federal programs:

- Material weakness identified No
- Reportable condition identified that are not considered to be material weaknesses No

Type of auditors' report issued on compliance for major federal programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
CDBG Entitlement Grant	14.218
CDBG HOME Investment Program Grant	14.239
Federal Transit Formula Grant	20.507
Public Safety Partnership and Community Policing Grant (COPS)	16.710
GUC - Public Works Program	11.300

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

Auditee qualified as low-risk auditee? No

State Awards

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Internal control over major State programs:

- Material weakness identified No
- Significant deficiency identified that are not considered to be material weaknesses No

Type of auditors' report issued on compliance for major State programs Unqualified

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

Identification of major State programs:

Program Name

Powell Bill
Water Supply Revolving Fund Loan
Sanitary Sewer Revolving Fund Loan

2. Financial Statements Findings

None Reported.

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

CITY OF GREENVILLE, NORTH CAROLINA

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009**

Not applicable

CITY OF GREENVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

None. No uncorrected prior year findings.

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number/ State Number</u>	<u>Grant Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>	<u>Total Expenditures</u>
FEDERAL FINANCIAL ASSISTANCE:						
U.S. Department of Housing and Urban Development Pass-through N. C. Department of Commerce						
CDBG Entitlement Grant	14.218	B-06-MC-37-0020	\$ 869,929	\$ -	\$ 212,647	\$ 1,082,575
HOME Investment Partnership- 2003	14.239	M03-DC370211	953	-	50	1,003
HOME Investment Partnership- 2004	14.239	M04-DC370211	65,860	-	3,383	69,243
HOME Investment Partnership- 2005	14.239	M05-DC370211	203,424	-	10,450	213,874
HOME Investment Partnership- 2006	14.239	M06-DC370211	217,473	-	11,172	228,645
HOME Investment Partnership- 2007	14.239	M07-DC370211	238,703	-	12,262	250,965
HOME Investment Partnership- 2008	14.239	M08-DC370211	20,000	-	1,027	21,027
Lead-Based Paint Hazard Control (ARRA)	14.907	NCLHB0432-08	19,063	-	10,911	29,974
Total U.S. Department of Housing and Urban Development			1,635,406	-	261,901	1,897,307
U.S. Department of Transportation						
Direct Programs -						
Planning Work Program	20.205	PL-104 (2008)	117,502	-	29,376	146,878
Federal Transit Administration (441-Operating)	20.507	NC-904-441	331,947	-	331,947	663,894
Federal Transit Administration (441-Capital)	20.507	NC-900-441	141,658	-	35,415	177,073
Federal Transit Administration (441-ADA)	20.507	NC-908-441	76,531	-	19,133	95,664
Federal Transit Administration (418-Capital)	20.507	NC-900-418	52,426	-	13,106	65,532
Federal Transit Administration (340)	20.507	NC-902-340	43,555	5,444	5,444	54,444
Federal Transit Administration (0012)	20.507	NC-904-0012	498,000	62,250	62,250	622,500
Total U.S. Department of Transportation			1,261,619	67,694	496,671	1,825,984
U.S. Department of Justice						
Office of Justice Programs						
Cops Technology Grant	16.710	2007-CK-WX-0045	2,509,540	-	837,639	3,347,179
Bureau of Justice Assistance						
JAG 2005	16.592	2005-DJ-BX-07-87	-	-	-	-
JAG 2008	16.592	2008-DJ-BX-0591	34,370	-	-	34,370
G.R.E.A.T. 2008	16.592	2008-JV-FX-0078	16,569	-	-	16,569
Total U.S. Department of Justice			2,560,480	-	837,639	3,398,119
U.S. Environmental Protection Agency						
Brownfields Assessment Cooperative Agreement	NA	BF 96486507-0	84,347	-	-	84,347
Total U.S. Environmental Protection Agency			84,347	-	-	84,347
Economic Development Administration Passed-through U.S. Department of Commerce						
Economic Adjustment Assistance	11.300	04-01-05985	339,731	-	-	339,731
Total Economic Development Administration			339,731	-	-	339,731

CITY OF GREENVILLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE						
State of North Carolina						
Department of Crime Control and Public Safety						
Swiftwater/Urban and Rescue Funding	97.073	SRT/USAR 0607-014	5,692			5,692
Urban Search and Rescue Equipment	97.073	2007-GE-T7-0048	-	-	-	-
Homeland Security-USAR	97.067	USAR-10-1026-06	16,564	-	-	16,564
Total Department of Crime Control and Public Safety			<u>22,256</u>	<u>-</u>	<u>-</u>	<u>22,256</u>
Department of Transportation						
Division of Highways						
Powell Bill Funds	DOT-4		-	2,136,846	-	2,136,846
Public Transportation Division						
State Maintenance Assistance Program	DOT-9	07-SM-010	-	242,645	-	242,645
Planning Work Program (Section 5305)	20.505	36230.17.7.6	26,168	3,271	3,271	32,710
N.C. Governor's Highway Safety Program						
RAIID (2006-2007)	20.600	PT-07-04-04-10				
Total Department of Transportation			<u>26,168</u>	<u>2,382,762</u>	<u>3,271</u>	<u>2,412,201</u>
Department of Crime Control & Public Safety						
Division of Governor's Crime Commission						
Integrated Community Anti-Gang Response	NA	074-1-07-001-BN-346	35,018	-	11,673	46,691
Multi-Disciplinary Response Continuum	NA	074-1-08-2VA-AW-739	54,806	-	18,269	73,074
Total Department of Crime Control & Public Safety			<u>89,824</u>	<u>-</u>	<u>29,941</u>	<u>119,765</u>
Department of Environment & Natural Resources						
Division of Environmental Health						
Water Supply Revolving Fund Loan	NA	H-LRX-F-04-0991	-	3,789,863	-	3,789,863
Sanitary Sewer Revolving Fund Loan	NA	E-SRF-T-08-01080	-	1,969,486	-	1,969,486
Total North Carolina General Assembly			<u>-</u>	<u>5,759,349</u>	<u>-</u>	<u>5,759,349</u>
Total Federal and State Assistance			<u>\$ 6,019,831</u>	<u>\$ 8,209,805</u>	<u>\$ 1,629,423</u>	<u>\$ 15,859,059</u>

Note 1 - General

The accompanying Schedule of Expenditures of Federal and State Awards present the activity of all 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 to the City's basic financial statements. All federal and state financial assistance received directly from federal and State agencies as well as federal financial 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.

Note 3

Water Supply Revolving Fund Loan amount represents the outstanding balance on the Revolving Fund Loan. Drawdowns in the current year were \$92,400.

Note 4

Sanitary Sewer Revolving Fund Loan amount represents the outstanding balance on the Revolving Fund Loan. Drawdowns in the current year were \$1,969,486.

